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THE  
NORTH CAROLINA  
DEMOCRATIC HAND-BOOK

1906

PREPARED BY THE  
STATE DEMOCRATIC EXECUTIVE COMMITTEE  
OF NORTH CAROLINA

*Lucas B. S. S.*



# DEMOCRATIC HAND-BOOK,

1906.

## DEMOCRATIC STATE PLATFORM.

*(Adopted at Greensboro, July 3, 1906.)*

The Democracy of North Carolina in convention assembled, renews its allegiance to the principles of constitutional government, through laws enacted and executed in the interest of the whole people, without favor to individual or class; and it pledges itself to continue the just, wise and economical administration of public affairs which have obtained in State and county since its return to power in 1899.

We congratulate the people of the State that, under Democratic auspices, there has been established throughout the borders of the State a reign of law and liberty, peace and progress. That our people are no longer employed in guarding their homes and protecting their lives, liberty and property, as they were under Republican rule; but safe in the protection of law, and enjoying the freedom which comes from security, are directing their energies to peaceful pursuits of honest industry.

We endorse the wise, patriotic and able administration of our State's affairs by Governor Robert B. Glenn and the other State officials, and we point with pride to the record of our Senators and Democratic Representatives in Congress, and endorse the same.

We again congratulate the people of North Carolina upon the successful operation of the Constitutional Amendment regulating the elective franchise. The adoption of this measure has permanently solved the race problem which had so long agitated the public mind, and was a menace to peace and good government.

In its operation the assurances made by the Democratic party to the people, that no white man would be disfranchised thereby have been fully verified, and the prediction of the Republican party, to the contrary, proven false.

After a test of five years the wisdom of the Amendment is recognized and acquiesced in by all political parties, and is accepted as a solution of a vexed question.

We congratulate the people upon the beneficent effect of the temperance legislation enacted by the Democratic party, and approve and endorse the principles enunciated in the Watts bill and the Ward bill regulating the manufacture and sale of liquor.

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We reaffirm our constitutional declarations that "religion, morality, and knowledge being necessary to good government and the happiness of mankind, schools and means of education shall be forever encouraged," and that the people have the right to the privilege of education, and that it is the duty of the State to guard and maintain that right, and we express hearty approval of the great results accomplished through educational work during the past six years of Democratic rule—at the great improvement made during that time in our educational conditions, and we promise a continuance of a four months' school term for all the children of the State.

The Democratic party established the system of pensioning Confederate soldiers and opened the Soldiers' Home for the care of the veterans who responded to the call of the State in the War Between the States. Every dollar given them was appropriated or forced by the Democratic legislation or Democratic public sentiment. We pledge the party to a fuller discharge of a debt that can never be fully paid to these aging heroes who offered their lives as a sacrifice upon the altar of their country.

We point with pride to the record of the Democratic party in its care of the unfortunate classes of our State and promise to continue to enlarge our charitable institutions until all the indigent insane are cared for at the expense of the State.

#### REGULATION OF PUBLIC SERVICE CORPORATIONS.

The powers of the Corporation Commission should be so enlarged as to give it full and adequate power to regulate all public service corporations within the State and subject to its jurisdiction. Passenger and freight rates in North Carolina are too high and should be materially and substantially reduced, as should also telephone rates and rentals, and we demand such action by the Legislature and Corporation Commission as will accomplish such reduction.

We are opposed to granting charters to corporations in perpetuity.

The discrimination of railroads against North Carolina cities and towns, and in favor of other points having no greater natural advantages, is a grave injustice to the people of this State, and should be corrected by such means as are available within the limitations set by the Constitution of the United States. The interference by public service corporations in political matters should be called so sharply to the attention of the people that it will be odious, and the efficiency of such corporations as political agencies should thus be destroyed.

The law against issuing free passes should be so amended as to make the party who illegally receives them equally guilty with the corporation issuing them.

The failure of connecting lines of railways to make connection as scheduled is a source of much inconvenience, expense and annoyance



to the traveling public, and we demand such additional legislation as may be necessary to enforce that provision of our statute which requires connecting lines to make as close connection as is practicable for the convenience of the traveling public.

#### FOREST RESERVE AND INLAND WATER-WAY.

We favor the Appalachian Forest Reserve, and the construction of the inland water-way from Norfolk, Virginia, to Beaufort Inlet, North Carolina. While both of these projects involve great benefits to the State, they are also of national importance. The one preserves our mountain forests and conserves our water supply, promotes the public health, maintains our water-power and aids agriculture. The latter will open up a free outlet north and south for the water-borne trade of Eastern North Carolina, equalize traffic rates, and promote the prosperity of our people. Its construction will also greatly increase the coastwise trade between the South Atlantic and North Atlantic ports.

We urge our Senators and Representatives to continue their efforts to secure legislation for the establishment of the one and the construction of the other.

We reaffirm our adherence to the time-honored principle of Democracy of "equal rights to all and special privileges to none," and we condemn subsidies, gratuities, bonuses, trusts and monopolies.

For nearly ten years the Republican party has been in absolute control of all departments of national government, with power to change unjust conditions and to rectify evils. Yet, during that time colossal combinations of capital have dominated the people, and illegal perversions of corporate law have stifled competition and unfairly limited the opportunity of the individual citizen. Wealth thereby illegally obtained has been unsparingly used to control legislation and corrupt elections. No honest effort has been made, or is being made, by Republican legislation to cure or eradicate these evils.

We denounce the hypocrisy of the Republican party, which, while pretending to legislate against these conditions, deals only with the symptoms and not with the disease. The unfair, tyrannical features of the so-called "protective tariff" have made these things possible, and no permanent relief can be secured until its obnoxious features are removed. To remedy this evil we demand a thorough revision of present tariff laws.

The growth of the trusts and other inordinate and dangerous combinations of capital, the tremendous and rapidly increasing absorption and centralization of the wealth of the country in the hands of a chosen few, all due to premeditated and systematic legislation in behalf of special interests by the Republican party, demand a change in the policies imposed upon the country by that party and make the passage of restrictive laws an imperative necessity.

We denounce the appalling system of corruption heretofore practiced by the great insurance companies, whereby money intrusted to them for the benefit of widows and orphans has been diverted to the enrichment of favored individuals and to the campaign fund of the Republican party.

We denounce the present iniquitous, unjust and trust-creating protective tariff imposed upon the people by the Republican party and demand its immediate revision, to the end that all unjust burdens shall be removed, and especially those upon the necessities of life and those that enable the trusts to extort from the people unreasonable profits and to sell their products to consumers at home at greater prices than are charged for the same goods to the foreign consumer.

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## RESOLUTIONS.

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At the Democratic State Convention held in Greensboro on July 3, 1906, the following resolutions were adopted:

### ENDORSEMENT OF BRYAN AND AYCOCK.

The Democracy of North Carolina, the first in America to support William J. Bryan for the Presidency of the United States, is gratified to see the Democracy of every section of the Republic turning to him as the logical candidate for President in 1908.

The spontaneous call for his leadership is the result of a universal desire to correct the giant evils in our country which he long ago foresaw, and which has heretofore defeated the will of the American people. Honored the world over as America's first citizen, he will be hailed upon his return as the one man to restore the government to the foundation of equality and justice upon which it was established by our fathers. The Democrats of North Carolina in convention assembled endorse the candidacy of William J. Bryan for President in 1908, and recognizing that in choosing his running-mate the Democracy of this country should select one of her wisest and broadest statesmen, the North Carolina Democracy presents to the Democracy of the Republic as a fit candidate for Vice-President Hon. Charles B. Aycock, ex-Governor of this State.

### ELECTION OF UNITED STATES SENATORS AND JUDGES BY THE PEOPLE —INCOME TAX.

We favor such amendments to the Constitution of the United States as will provide for the election of district and circuit judges of the United States and United States Senators by a direct vote of the people, and a graduated income tax.



## REPUBLICAN STATE PLATFORM.

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*(Adopted at Greensboro, July 10, 1906.)*

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The Republican party of North Carolina in convention assembled at Greensboro, N. C., July 10, 1906, congratulates all the people of the State upon prevailing conditions, as the unquestioned off-shoots of Republican policies enforced since 1897, resolve and declare the following to be a summary of their beliefs upon the more vital questions of present interest and of the action they will take if given power in the State:

1. We claim for the administration of President Roosevelt that it has satisfied every reasonable demand of the patriot, the reformer and the worker in every field of human endeavor; that it has established the currency upon a basis not to be shaken; that it has vastly extended our foreign commerce, and so added largely to the nation's wealth; that it has kept the peace at home and promoted it abroad; that it has expended the national revenue wisely and with absolute honesty; that it has laid bare and punished with iron hand every species of official or corporate corruption brought to light by vigilant agents of its own choosing; that it has hearkened to the voice of the oppressed in all lands and given sympathy when forbidden by law to give more; that it has aimed with true and constant purpose to reflect in its every act the highest and finest aspirations of the American people, northern and southern, eastern and western.

2. We state with regret the acknowledged fact that the laws of our own State have not been enforced by the Democratic administrators in State and county affairs; the legislation upon the subject of temperance, so dear to a large part of our best people, is confessedly a dead letter as relates to its enforcement by State officials—Republican officials of internal revenue bearing the whole burden of commanding for it popular obedience.

Yet the amazing spectacle is presented of a party which has kept the promise to the ear and broken it to the hope now masquerading as prohibitionists in such sections of the State as they deem ripe for that experiment in law-making.

The Republican party insists that every county and every town should be allowed to determine for itself by vote the question of whether, and if so, how whiskey shall be sold in its limits, as well as who shall hold its offices, and that they shall, none of them, be appointed by the Legislature or justices of the peace or any other authority except the people.

3. We refute in the proper spirit of just indignation the frequent threat of danger to the State from our coming into power, made by Democratic speakers and newspapers. The merest novice in political conditions must know that victory for us can come from the addition of one constituency alone—the men of the Farmers' Alliance and the People's party—to whom alone or in conjunction with Republicans the State owes the great upward movement in railroad regulation, in female education, in common school education, in the preserving, care and encouragement of the University, A. and M. College and other State institutions, threatened then as now with ghost stories of their destruction; and we pledge ourselves to continue and perfect the common school system, begun by the Republicans, until a good English education is in the reach of every child.

We shall advocate one or more reformatories for youthful criminals, and pledge the people that, given power, no insane man or woman, white or black, shall lack the State's care, be the cost what it may.

4. We congratulate the people of the State upon the removal of the Atlantic and North Carolina Railroad from the sphere of active politics, but denounce the refusal of State Democratic officials to let the light of publicity shine upon the evidence taken behind closed doors which led to the lease of that piece of State property.

Graft was admitted, but never suffered punishment, thus showing in marked contrast a national Republican, as against a State Democratic administration; and we further denounce the method of the Democratic party in appointing an investigating committee of strictly partisan Democrats.

5. If Democratic testimony is to be taken, the present Corporation Commission exists chiefly for the purpose of drawing salaries. We pledge ourselves to make it efficient. At present it is a laughing-stock of well-informed people, but no less a burden upon the taxpayer.

6. The Democratic party for years has vaunted its friendship for the Confederate soldier, while leaving him, in many cases, an object of charity. The Republicans by their votes in the General Assembly have ever shown their friendship for this most honored class of our countrymen, now daily lessening in number.

We advocate doubling the pittance now received by these veterans, and if we secure a legislative majority shall vote as we promise.

7. We favor rigid restriction of the servile immigration now coming to this country from Europe, and shall aid by every means in our power to uphold the dignity and manhood of native American citizenship.

We rejoice that sectionalism is a thing of the past.

8. We favor the establishment of the Appalachian Park, and pledge any Republican Congressman elected from this State to be its friend; but its establishment must be the work of Republican statesmanship and those its friends miscount who look to see it come from discredited Democratic bunglers in administration.

9. We charge that the Democratic State administration has been costly beyond precedent without being efficient; that the dockets of the courts in very many counties remain clogged, though judges and solicitors have been increased in number and in pay.

We are unalterably opposed to frauds upon the suffrage, and we believe that the great amount of crime and lawlessness that prevail and seem on the increase in our State, including lynchings, are due to the licentious tongues of Democratic orators and others who teach and advise that it is right to commit crime and fraud for the Democratic party. Honest men can see no difference between stealing a ballot and a horse—between a false return of the result of an election and a false oath in the court-house and a false verdict in the jury-box.

That it is the sense of this convention that town and city poll-tax in North Carolina should not exceed one dollar.

And, whereas, some dissensions have arisen among Republicans on account of contests over appointments to Federal offices, which, with charges and counter-charges, have been given undue prominence by the Democratic press; and whereas, the Democratic party has been enabled to retain its hold upon the State government by appeals to race prejudice, references to the disorders and confusion resulting from the war and "the days of '68," as well as the manifold repetition of the statement that all Republicans are office-seekers:

*It is therefore now Resolved:* That the State Executive Committee of the Republican party be and it is hereby instructed to assemble, and each and every member thereof, in Greensboro, N. C., on the first day of September, 1906, and on the first days of March and September in each and every year hereafter, and shall then and there before adjournment consider applications for appointment to all Federal offices in North Carolina the terms of which shall expire in the next six months, and to recommend to the appointing power in each instance a suitable person for each position, except in such districts as are represented by a Republican Congressman. That no application shall be considered unless the applicant shall state in his application that he will submit to the action and recommendation of the committee without further contest.

*Resolved,* That the executive committee in making recommendations for appointment to Federal positions shall observe well that the applicant has the support of his local party friends, in addition to being well qualified for the position.

## THE RECORD OF THE TWO PARTIES FROM CLOSE OF WAR TO PRESENT TIME RECITED AND CONTRASTED.

### REPUBLICAN RECONSTRUCTION RECORD.

On the first day of July, 1868, the Republican party took complete control of North Carolina. It had the executive, legislative and judicial departments of the government, and nearly all the counties and towns were likewise under its control. No party ever had a better opportunity to serve a people and win their gratitude, but no party ever treated a people worse. It found a people poor and struggling amid the ruins of a desolating war. They needed good laws, the party gave them bad. They needed peace and rest, the party gave them violence and disorder. They needed low taxes, the party made them high. They needed a reduction of the State debt, the party increased it three-fold. They needed encouragement, the party gave them the bitter dregs of disappointment. They needed protection, the party gave them a reign of lawlessness. They needed economy, the party gave them reckless extravagance. They needed honesty in government, the party gave them an era of corruption. They needed patriots for legislators, the party gave them knaves. They needed additional school-houses for their children, the party closed most of those in existence. They needed teachers for their children, the party misused the school fund. Under the guise of building railroads, the party issued millions of State bonds and then stole the bonds. Under the guise of suppressing disorder, the party declared war and undertook, in a time of peace, to suspend the writ of habeas corpus and try men by military court-martial. The credit of the State had hitherto been good; this party destroyed it. The bonds of the State, once at par, were hawked about in the markets at a few cents on the dollar. County scrip issued for county purposes were, like the State bonds, almost worthless. The Legislature became a stench in the nostrils of decent men.

### THE SCHOOLS.

The University of North Carolina was one of the honored and renowned institutions of learning in this great country of ours. At it presidents and cabinet officers, foreign ministers, statesmen, judges, generals, preachers, lawyers, doctors, merchants, mechanics, farmers and business men of every vocation had been educated. The Republicans closed this time-honored institution and converted the halls of learning into homes for bats and owls, and the campus, upon which the youth of the State had been wont to gather, into pastures for cattle.



## THE COMMON SCHOOLS.

As wicked and injurious as it was to close up the University, it was not to be compared to the wrong done the poor children of the State in closing up the public schools; for the parents of the young men could send their sons elsewhere, but the only hope of the poor children was in the common schools; and when these were closed, the children were left to grow up in ignorance. The record of the Republican party, during its two years of power in North Carolina, was the most shameful ever made by any party in any civilized country. Here is its record in reference to education: During the fiscal year ending September 30, 1869, there was spent out of the educational fund \$167,158. Not a dollar of this was spent in teaching the poor children of the State, white or black. What, then, was done with it? The Republican Legislature took \$158,000 of this amount and divided it up among themselves to pay their per diem at seven dollars per day. Three thousand dollars was used to pay the "University professors," so-called, who had no boys to teach and who did nothing but draw their salaries. The balance of the \$167,000 was charged up to expense account.

For the fiscal year ending September 30, 1870, this is the record:	
Amount invested in special tax bonds.....	\$150,000.00
Expense account .....	2,014.00
Poll tax returned.....	415.15
Paid to teachers of schools.....	38,981.86
Loaned to University.....	10,000.00
Loaned to Deaf and Dumb Asylum.....	2,000.00

Total used during year ending Sept. 30, 1870.....	\$203,411.01
Add to this amount used year ending Sept. 30, 1869....	167,158.18

And we have total amount of school fund used during  
the two years of Republican rule.....\$370,559.19

Of this amount, \$370,559.19, only the sum of \$38,981.86 was used for school purposes; the balance was misapplied, wasted, purloined, lost.

## STATE DEBT.

The Republican party, when it was in power between 1868 and 1870, ran up the debt of the State from less than fifteen million dollars to a sum that amounted to over forty million. Under the plea of building railroads for the convenience of the people, it issued millions upon millions of dollars of State bonds, but did not build the roads. They printed the bonds, sold them, pocketed the money, divided the plunder, and did not build a mile of road anywhere in the

State. When the Democrats came into power in 1877 they found the State but little better provided with railroads and transportation facilities than it was at the close of the war.

#### MANNER OF HOLDING ELECTIONS.

When the Republicans were in power during the reconstruction period they held an election in North Carolina, and after several days' balloting, with the ballot-box surrounded by soldiers, they sent the boxes containing the votes of the free men of North Carolina to Charleston, S. C., where they were counted by a Federal General named Canby, and such of these ballots were counted and such were rejected as that military officer saw fit to count or reject, and from the arbitrary decision of that military satrap there was no appeal.

#### WRIT OF HABEAS CORPUS SUSPENDED.

The Governor which that party selected suspended the writ of habeas corpus, declared certain counties of the State in a state of insurrection, without warrant or process of law, seized and incarcerated some of their leading citizens, was tried for corruption and malfeasance in office, convicted, removed from office, forever disfranchised and made incapable of holding any office of trust and confidence in the State.

#### NEGRO SUFFRAGE FORCED ON PEOPLE.

When the negro was given the right to vote, the very men who put the ballot in his hands felt that they were doing an unwise thing; that they were doing an unnatural thing; that they were trying a new experiment in intrusting the ballot to an ignorant race, untrained in government. But whether right or wrong, the Republican party wanted the negroes' votes at the South; and so they forced negro suffrage on the unwilling white people of the Southern States. The intelligence of the South protested, but without avail. The Republican leaders, who wielded the power of the Federal government, were heedless of our protests, and put the ballot in the hands of a race that was entirely unfit and unprepared to deal with public matters.

#### PANDEMONIUM REIGNED.

In those parts of the South where the negroes were in the majority pandemonium reigned. In our own State the eastern counties were afflicted with a corrupt, offensive and disgusting administration of affairs. Many of these counties were represented in the Legislature by ignorant and depraved negroes. In some there were negroes in responsible county offices—such as Register of Deeds, Deputy Sheriffs and County Commissioners. In the cities of this section of the State

negroes were elected city councilmen and appointed policemen. The white associates in office and power of these negroes were in many instances as ignorant, depraved and irresponsible as they were. They robbed and plundered the people. Counties and cities were plunged into bankruptcy. Government became a travesty, lawlessness took the place of order and security and a reign of terror was established. In some of the districts negroes were sent to Congress while in others they were elected Solicitors and prosecuted before mixed juries white men and women as well as negro men and women.

The condition which then existed in North Carolina is fittingly described in the following extract from an address issued to the people of North Carolina on March 26, 1870, by the Democratic members of the Legislature of that year: "Let the bickerings of the past be hushed; let us rise above the dwarfed idea that would lead us to inquire what a man's politics were in the past; let us but ask, is he an opponent of radicalism, is he honest, is he competent? Upon this broad and elevated platform you can invite the good of all parties and races to join you against that party which has levied and collected taxes without stint with one hand, and scattered them with wild extravagance with the other; that has introduced into our hall of legislation corruption hitherto unheard of there; that has elevated to positions of trust and profit, men wholly unworthy of confidence; that has altered and confused our laws until the administration of justice has become costly, and its attainment uncertain; that has sought to subordinate the civil administration to military power by proclamation of martial law and petitions to Congress for the suspension of the writ of habeas corpus; that has more than doubled the current expenses of the State government; that has enormously increased the State debt; that has cast a foul blot upon her hitherto fair escutcheon, and, that for want of statesmanship and for utter disregard of the necessities of the people, is without a parallel in the history of this or any other State. With such a cause as ours against such a party, the united ranks of conservatism must prevail."

#### OVERTHROW OF CARPET-BAG AND NEGRO GOVERNMENT.

At length when Republican government in the State became intolerable, self-preservation and decency, as well as patriotism, brought the white people of the State together. Carpet-bag and negro government was overthrown, the government was placed in the hands of the Democratic party, and soon an end was put to the lawlessness and plunder which had terrorized the people and bankrupted the State and many of its counties, cities and towns.

The twenty-three years of Democratic administration which followed were years of peace and prosperity, of law and order—of clean

and competent and economical and honest government—without suspicion of scandal or wrong-doing.

Schools were opened up for the education of the children of the State; asylums were built for the unfortunate insane and the defective; peace between the races was restored; taxes were reduced, and the mountain of State, county and municipal indebtedness, created by Republican extravagance and dishonesty, was rapidly reduced and liquidated.

#### SYSTEM OF COUNTY GOVERNMENT TO PROTECT EAST.

In order to protect the eastern counties from overwhelming negro majorities and to make impossible the corrupt and disgusting administration of local affairs which had resulted from negro control in these counties, in 1876 the people adopted an amendment to the Constitution allowing the Legislature to establish a new system of county government, and a system was adopted which gave the administration of county matters to the best men in the county.

After that the Republicans at every election attacked that new system of county government; and although it worked very well and established good order and secured an honest administration of county affairs, yet the Republicans denounced it and maintained a continual agitation against it. The chief benefit this county government system brought to the eastern counties was found in its placing county affairs out of the reach of the negro majorities. The wisest and the best men were selected for that business. Notwithstanding the continual agitation of the Republicans against it, for sixteen years this system was maintained, much to the advantage of the State, and particularly to the benefit of the eastern counties.

Who that passed through the horrid experience of 1868 and 1870 does not recall that time as a frightful nightmare? Who does not remember with satisfaction the peaceful, quiet, happy prosperity that pervaded the State after the county government system was inaugurated in 1877, and what a contrast it presented to the turbulent period of crimes, oppression, outrage and disorder when the negro was in control of the eastern counties?

There is not space here to recount all the achievements and reforms of the Democratic party in the interest of good government and the public welfare during the period of its ascendancy between the reconstruction era and the advent of the fusion era, but the following are some of the things accomplished by it in the interest of good, honest, and economical government:

#### ADJUSTMENT AND LIQUIDATION OF STATE DEBT.

As has been stated before, the Republicans, during the period of their control, had increased the State debt from fifteen millions of dollars to forty-two millions.



This immense debt hung like a mighty incubus upon the energies of the State, blocking the way to progress and always threatening the people with increased and burdensome taxation. The Democratic party set itself to the work of adjusting this debt. It first separated the honest debt of the State for which the State had received some value, from the fraudulent debt, created by the Republican party, and for which the State had received no value. This fraudulent Republican debt the Democratic Legislature repudiated, and to make sure that no subsequent Republican Legislature should ever have it in its power to recognize its fraudulent offspring or attempt to levy a tax for its payment, the Legislature proposed and the people ratified an amendment to the State Constitution by which all future General Assemblies were forbidden to assume or pay or authorize the collection of any tax to pay, either directly or indirectly, expressed or implied, any debt or bond incurred or issued under authority of the Convention of 1868, or the Legislature of 1868-'69-'70, unless the proposition be first submitted to the people.

Having thus disposed of the fraudulent Republican debt, the Democratic Legislature then proposed to the holders of the evidences of the State's honest debt such terms as seemed just to the creditors and to the people; and in 1879 laws were passed to carry out this compromise. There were two of these acts—one to compromise, commute and settle the State debt other than that part created in aid of the North Carolina Railroad; and the other to compromise and adjust what was known as the construction bonds, issued in aid of this road. In the settlement of the bonds included in the terms of the first of these acts, the State agreed to issue new four per cent. bonds at the rates named in the act; and State Treasurer Worth, on page 7 of his report, dated December 20, 1896, tells us: "It would require \$255,070 more of four per cent. bonds to take up the remainder of the bonds outstanding, making the whole possible debt \$3,615,770, bearing four per cent. interest." So when the last of these old bonds are surrendered, the whole debt for which the people are to be taxed can only be \$3,615,770 at four per cent. interest.

#### THE SIX PER CENT. BONDS.

Now as to the other of these acts, to-wit, the one to compromise and adjust the debt created in aid of the construction of the North Carolina Railroad, known as the construction bonds: To fully understand the difficulties that stood in the way of, and the importance of the work done by the Democrats to save the State's interest in the North Carolina Railroad, it is necessary to know something of its history. The acts under which these construction bonds were issued provided that the earnings of the road should be pledged for the payment of

the interest on these bonds, and the stock of the State itself was pledged for the payment of the principal of the bonds.

Near the close of the Republican Legislature of 1868-'69, after an era of pillage and plunder, a bill was introduced in the House by a Republican from Person County to provide for the exchange of this stock for any indebtedness of the State. "Any indebtedness" included the then worthless special tax bonds, so that "there were millions in it"; but owing to the watchfulness of the few Democrats and honest Republicans in the House, this bill failed to pass, and this effort to gobble up the North Carolina Railroad came to naught.

#### THE SWASEY SUIT.

Under the provisions of the acts pledging the dividends of the North Carolina Railroad and the State's stock therein for the payment of the interest and principal of the State bonds, Swasey, one of the holders of those bonds, had instituted a suit in the Federal Court to subject the dividends coming to the State to the payment of the interest and to sell the State's stock to pay the principal of these bonds. This suit was pending in 1877, when the Democrats came into power; and in 1879, when the act was passed looking to saving this stock, the time was near at hand when its sale was to be pressed in the Swasey suit. The stock at that time was away below par, so that a sale of it would have been a great sacrifice and would have left a large unpaid debt against the State. The Democrats, however, had faith in the future value of this stock, and determined to save it to the State if possible. Notwithstanding the difficulties that stood in the way, they succeeded in adjusting and in renewing this debt upon advantageous terms to the State, and in having the Swasey suit dismissed. Under this adjustment a sufficiency of the dividends coming to the State on her stock is to be applied to the payment of the interest on this part of the State debt.

On page 7 of the report of Treasurer Worth, of date December 20, 1896, he says: "The six per cent. construction bonds, upon which interest is paid out of the dividends from the 30,000 shares of stock owned by the State in the North Carolina Railroad Company, amount to \$2,720,000." So we have the State under Democratic management receiving seven per cent. net dividends on \$3,000,000 of stock and paying six per cent. on \$2,720,000 of bonds, thus saving to the State annually from that source \$46,800.

This stock is worth \$1,500,000 more than it was in 1877, when the Democrats came into power and took charge of this property.

#### RAILROADS AND TRANSPORTATION.

Railroads and lines of transportation are not only a great public convenience, but in this age they are a public necessity. They are

great developers of a State's resources, and when properly managed, they are promoters of the progress and growth and wealth of communities and individuals. The Republicans, under the plea of building railroads for the convenience of the people, issued, as we have already seen, millions upon millions of dollars of State bonds. But did they build the roads? No. They printed the bonds, sold them, pocketed the money, divided the plunder and did not build a mile of road anywhere in the State! When the Democrats came into power in 1877 they found the State but little better provided with railroad and transportation facilities than it was at the close of the war. The Democratic party addressed itself to this great need of many sections of the State, and by open, honest, straightforward work, and by dealing honestly and fairly with investors and capitalists, they started anew railway building, and railway construction went forward at a rapid rate. In some instances the State, as in the case of the Western North Carolina Railroad and the Cape Fear and Yadkin Valley Railroad, had a direct hand in the work; while in other instances it was the work of individual enterprise alone; but it was all attributable to the just laws and good government of the Democratic party, without which these new roads would never have been built in North Carolina. Branch lines of railroad and turnpikes were also constructed at places where they were much needed. Encouragement and protection were held out and given to all engaged or wishing to engage in this work. And let it be borne in mind, that whatever the State put into any of these works of internal improvements, after they had passed under the control of the Democratic party, was in the end returned to the State, with probably the exception of the costs of the convict labor on a few neighborhood turnpike and branch lines of railroads, amounting in the aggregate to only a few thousand dollars. So that all this railroad development during the eighteen years of Democratic government cost the taxpayer practically nothing. What did this railroad construction amount to in the eighteen years, from January 1, 1877, to January 1, 1895?

On January 1, 1877, there were 1,341 miles of railroad in the State.

On the 1st day of January, 1895, there were 3,400 miles of railroad.

There were then constructed in the State during these eighteen years of Democratic administration 2,059 miles of railroad, about six hundred miles more than was built in the balance of the history of the State.

But little railroad property was returned for State taxation on the 1st of January, 1877. The value of all the franchises, as we get it from the office of the Railroad Commission, was then \$859,021, and the tax thereon paid into the State Treasury was only \$1,179.



The value of the railroad property as returned for taxation January 1, 1895, was \$24,501,899, and the tax thereon paid into the State Treasury was \$61,254. The State, county and municipal tax on this railroad property amounted in 1895 to about \$240,000. Observe the large increase!

In January, 1877, when the Democrats came into power, there were forty-two counties in the State without railroad facilities. In January, 1895, when the Democrats went out of power, there were but thirteen counties without these facilities. These facts need no comment. They tell their own tale and speak in thunder tones of the glorious era of Democratic rule.

#### GENERAL DEVELOPMENT.

Simultaneously with this great railroad development there was also an era of general material development without its parallel in the history of the State. Factories and mills and shops sprung up and multiplied as never before. Capital by the hundreds, thousands and millions came into the State seeking employment and ready to enter into and contribute its part to this general growth and development. But one may ask, what had the Democratic party to do with all this? We answer, much. It was the guarantee of good government which the Democratic party was furnishing that induced this development and investment of capital. Money will not go and capital will not seek a permanent home where good government does not exist. When the candid, impartial historian comes to write the history of this State, he will be obliged to say that no State ever had a better government than did North Carolina during these eighteen years of Democratic rule, and that no long settled section of this Union ever made greater progress and growth and development in the same length of time.

#### THE ESTABLISHMENT OF THE DEPARTMENT OF AGRICULTURE.

The Constitution, as amended by the Convention of 1875, commanded "The General Assembly to establish a Department of Agriculture, Immigration and Statistics." The Democratic Legislature of 1877 proceeded to establish and organize such a department. Men of scientific attainments and practical wisdom were called to lay out its work and administer its affairs. The farmers needed just the kind of information and help that this department was able to give. It soon became one of the important factors in the development of the resources of the State. Besides its special work to promote agriculture and protect the farmers, it collected and published information about the State that created a feeling of surprise and pride among our own people, and attracted the attention of the outside world. The

collections and exhibits made by it at Atlanta, Boston and elsewhere were revelations to people at home and abroad. It found the geologist and the State Museum in the loft of a store on Fayetteville street. It purchased for the State a valuable piece of property adjacent to the capitol square and erected thereon the finest museum, and placed therein the finest collection to be found anywhere in the South. It led to the establishment of the Agricultural and Mechanical College. It has given our people a better knowledge, a higher idea of their own State, and has given them a greater faith in her future greatness. It has done much to make our people understand and realize the superior advantages of our own State, and to make others acquainted with our resources and to bringing desirable people into the State.

#### THE ASYLUMS FOR THE UNFORTUNATE.

Christianity and civilization demand that the unfortunate men, women and children shall be provided for at the expense of the State or the communities in which they live. North Carolina was one of the first of the States to respond to this appeal in the erection of an asylum for her insane and a school for the education of her deaf, dumb and blind children. The wrecked fortunes and desolated homes caused by the war multiplied the number of white insane persons who were obliged to rely upon State institutions for treatment. The insane, deaf, dumb and blind of the colored race had hitherto been provided for by their owners. After the freedom of the slaves these also became a charge upon the State. The asylums for the treatment and care of the insane, the deaf, the dumb and the blind were therefore wholly inadequate for the demands upon them. During the years of Republican rule that party had splendid opportunity to do something for these unfortunate people. The rate of taxation was high, bonds were issued by the millions, the unfortunates were incarcerated in jails or confined at home. The afflicted appealed for help, but no help came. The insane were left to their fate, and the deaf, dumb and blind children, white and black, were left to get on in the world as best they could.

When the Democratic party came into power it addressed itself to this work of humanity, and by rigid economy in all public matters it provided asylums for the insane of both races, and schools for the deaf, dumb and blind of both races, without increasing taxation. Go to Raleigh; see the large and improved insane asylum for the whites; go to Goldsboro and see the insane asylum for the blacks; go to Morganton and see that splendid asylum there for the whites; and at Morganton and Raleigh, see the asylums provided for the deaf, dumb and blind of both races, and learn something of Democratic humanity and Democratic management. These fine institutions stand as monuments to Democratic wisdom, humanity and integrity; and the

Auditor's reports show that the expenses of the State government under Democratic rule during the years these great improvements were being made, and these grand buildings were being erected, were much less than they were under Republican rule when there was nothing of the kind going on.

#### EDUCATION.

The Democratic party believes in education. Jefferson, its great founder, taught that for a people to be strong and powerful and truly sovereign, they must be intelligent; and to be intelligent, they must have schools. Hence he set himself to work to establish universities, colleges, high schools and common schools. No service he ever rendered his country has been worth more to the generations that have come after him than the example he set his countrymen in the cause of education.

The Democratic party, upon its advent to power in 1870, addressed itself to the great work of providing schools for the training, preparation and education of the children. It re-opened, re-established, and supported the University. The career of the institution under Democratic rule became again useful, progressive and noble. It was brought in touch with the people and its field of usefulness enlarged. It was brought in full accord and sympathy with all other educational institutions, and became a co-worker in an enlarged life and usefulness of the common schools. Instead of being, as it was under Radical regime, "a closed incident," it again became the pride of our State.

Appreciating the importance of having trained teachers for the common schools, the Democratic party established normal schools at various points in the State for the training of these teachers. It began, as we now remember, with the normal school at the University for the white teachers, and the State Normal School at Fayetteville for the colored teachers. These were followed by others at different points in the State for each race, and these, in turn, were followed by teachers' institutes in most or all the counties of the State. These efforts at training men and women to teach and to work resulted in establishing the State Normal and Industrial School for young ladies at Greensboro, the Agricultural and Mechanical College for young men, and the colored Normal and Industrial School at Greensboro for the colored race.

The fund for the support of the common schools was increased as rapidly as the condition of the people and their ability to pay taxes would allow, and every dollar collected for schools was expended for schools. Steadily the system of common schools was improved, better teachers provided for them, longer terms taught, and attendance of children increased. In most of the larger cities and towns graded schools were established as part of the common school system.

In brief, an impetus was given to the cause of education under Democratic rule that made itself felt in every section, in every school, and among all classes in the State, and every college in the State has felt the good of our efforts to promote the cause of education. As a result, the liberality of generous friends was stirred by the zealous activity of our efforts to advance education, and increasing numbers of students were attracted to the colleges to profit by the splendid endowments that have aided in making these colleges so useful to the people of the State.

The record of the party in reference to education during this period, like its record in other things, is a noble one, and stands out in bold contrast to that made by the Republican party, and should satisfy all reasonable men that the vital interest of the people is safest in Democratic hands.

#### THE GOVERNOR'S MANSION AND SUPREME COURT BUILDING.

During this Democratic period a convenient and commodious residence for the Governor was built and the Supreme Court and State Libraries were taken out of the cramped-up rooms in the capitol and placed in the new Supreme Court building on the same square with the agricultural building, where the Court is now held and the libraries are open to the public in a splendid building that is a credit to the State.

#### THE PENITENTIARY.

When the Republicans undertook the location of the penitentiary they set agoing a public scandal that forced a change of the location from Locksville to Raleigh. Those familiar with those times will recall the scandals attending the attempted purchase of a site at Locksville, and how the contracts were repudiated. Those scandals were still fresh in the public mind when the Democrats gained control of the Legislature and became responsible for the legislation affecting the management of the penitentiary. It was during the Democratic administration of the penitentiary that the great buildings of that institution were constructed, and finally completed, and it was also under this Democratic administration that the expenditures for the support of the penitentiary gradually grew less and less every year till the institution finally became self-supporting in 1896, the last year before fusion control in which it was under the control of Democratic officials.

#### THE CORPORATION COMMISSION AND TAXATION OF RAILROADS.

Government has its burdens as well as its blessings. Its burdens are the necessary taxes for its support. Its blessings are good laws, properly administered; peace, good order and protection. The Democratic party ever seeks to make the burdens of government as light and the blessings as great as possible, and to call upon all species of



property and upon all classes of people to share in both without discrimination as to any. When in power it imposed the same burdens upon all according to their ability to bear them, and required a strict compliance with the law on the part of all. Hence, when it appeared that there were certain railroad properties in the State which bore no part of these burdens, and that some corporations were in some instances not obeying the law, and were misusing the powers given them by the State, the Democratic Legislature established a railroad commission, to take charge of these matters, to place all railroad property on the tax list, and to compel all corporations to do justice to their patrons and the public generally.

The Republican party, under the leadership of Jeter C. Pritchard, voted almost solidly in the Legislature against the establishment of the Commission, which has been of such benefit to the State, and tried their utmost to cripple the bill by numerous amendments.

Some of the roads resisted the efforts of the board to put their property on the tax list for taxation like other property, claiming they were exempt by their original charters; but the Democratic board, in pursuance of the policy that all property should be taxed alike, pressed these corporations in court and out of it till they succeeded in placing all property on the tax list, thus adding millions of dollars to the taxable property of the State. The board also fixed a passenger and freight rate, which was considered at the time fair and equitable to both the corporations and the people. Complaints were speedily adjusted; and during the periods when the Commission has been under the control of the Democratic party, it has been absolutely free from scandal or suspicion.

#### PENSIONS TO CONFEDERATE SOLDIERS.

It was during these years of Democratic administration that the Soldiers' Home was established and provision made for the poor and needy Confederate soldiers. The State also made liberal appropriations to the Oxford Orphan Asylum for the white children and likewise to the one for the colored children.

#### THE COST OF ALL THIS WORK.

All these things which we have enumerated, as well as other excellent things we have omitted to mention, were done by the Democrats in addition to the ordinary administration of the State government. As such work usually costs considerable, the question naturally arises, what did it cost the people? Was their government during those years of activity and improvement costly? Let us turn to the record for the information. State Auditor Ayer, in his report for 1897, prints a statement showing the receipts and disbursements of the government, each year, from 1868 to 1897, both inclusive. That statement is as follows:



STATEMENT I—*Showing the Amount of Receipts and Disbursements of the State for each Fiscal Year from 1868 to 1897, inclusive.*

Year.	PUBLIC FUNDS.		EDUCATIONAL FUND.		Total Receipts.	Total Disbursements.
	Receipts.	Disbursements.	Receipts.	Disbursements.		
1868	\$1,925,564.89	\$2,019,989.41	\$21,564.64	\$35,866.01	\$1,947,129.62	\$2,055,755.42
*1869	8,550,877.62	8,687,428.97	169,870.42	167,158.18	8,720,848.04	8,854,587.15
1870	3,557,867.48	3,454,214.10	333,973.76	203,411.01	3,891,741.24	3,657,625.11
1871	558,147.38	645,579.79	229,990.79	177,494.94	788,138.17	823,077.91
1872	654,476.21	628,532.70	46,000.81	173,275.92	700,777.02	801,808.62
1873	481,224.91	524,168.47	41,705.01	83,007.18	522,999.92	607,175.65
1874	667,114.49	448,839.68	44,383.21	56,260.94	711,498.70	504,869.62
1875	508,317.67	551,816.78	43,677.08	37,959.97	551,994.75	589,776.75
1876	524,039.17	528,065.22	42,235.59	54,702.93	566,274.76	582,758.15
1877	533,635.55	613,264.59	33,783.57	24,433.10	567,419.12	637,697.69
1878	534,322.04	534,187.07	12,592.39	4,915.03	545,914.43	539,102.10
1879	553,339.96	577,658.41	5,269.65	4,074.90	558,609.60	581,733.31
1880	546,796.04	492,720.39	6,233.47	4,000.00	553,029.51	496,720.33
1881	645,743.05	625,616.59	114,501.31	50,651.25	760,244.36	676,067.84
1882	755,881.44	629,112.37	12,712.05	66,125.00	768,593.49	695,337.37
1883	965,107.08	944,343.76	29,879.30	135.00	994,986.38	944,478.76
1884	1,436,775.66	785,641.78	35,200.33	76,228.65	1,471,975.99	861,870.43
1885	378,957.62	795,486.26	7,176.54	5,195.24	386,134.16	800,681.40
1886	835,421.03	1,112,652.31	7,626.25	7,365.85	843,047.28	1,180,017.16
1887	847,864.36	886,334.02	6,920.48	5,525.21	854,784.84	891,858.23
1888	710,384.39	820,025.39	11,403.01	5,582.86	721,787.40	825,608.25
1889	967,887.77	1,012,938.43	12,265.56	34,183.43	989,153.33	1,047,121.86
1890	1,180,369.64	1,056,572.54	23,757.92	5,945.58	1,204,127.56	1,062,518.00
1891	1,182,093.95	1,147,604.12	21,589.63	32,190.66	1,203,683.58	1,179,794.78
1892	1,209,662.86	1,054,798.61	15,500.24	3,134.99	1,225,163.10	1,057,933.60
1893	1,212,161.53	1,293,214.99	31,087.19	26,433.11	1,243,248.72	1,319,648.10
1894	1,214,285.08	1,148,873.34	19,076.00	46,746.91	1,233,361.08	1,195,620.25
1895	1,125,518.58	1,337,752.32	41,659.65	11,583.33	1,167,178.23	1,349,335.65
1896	1,259,458.40	1,244,917.57	1,555.35	1,648.70	1,261,013.75	1,246,566.27
1897	1,292,547.67	1,303,904.11	23,043.89	60,144.18	1,315,491.56	1,364,048.29

\* Much the larger proportion of the receipts and disbursements for 1869 are on account of subscriptions to railroad companies, etc., where no money actually passed.

This table is brought up to date in a subsequent table, under heading "Receipts and Disbursements of the State from 1868 to 1905."

An examination of this official statement will show that the years in which this great development, growth and improvement was going on were among the years that made the smallest drafts upon the State Treasury. This fact will still further appear by the following statement, showing the rate of taxation each year on each one hundred dollars worth of property from 1874 to 1894:

STATEMENT SHOWING RATE OF TAXATION FROM 1874 TO 1894.

For 1874, 31 2-3 cents on every \$100 worth of property.

For 1875, 29 2-3 cents on every \$100 worth of property.

For 1876, 29 2-3 cents on every \$100 worth of property.

For 1877, 29 2-3 cents on every \$100 worth of property.

For 1878, 20 2-3 cents on every \$100 worth of property.

For 1879, 24 cents on every \$100 worth of property.

For 1880, 24 cents on every \$100 worth of property.

For 1881, 28 cents on every \$100 worth of property.

For 1882, 28 cents on every \$100 worth of property.

For 1883, 25 cents on every \$100 worth of property.

For 1884, 00 cents on every \$100 worth of property.

For 1885, 25 cents on every \$100 worth of property.

For 1886, 25 cents on every \$100 worth of property.

For 1887, 20 cents on every \$100 worth of property.

For 1888, 20 cents on every \$100 worth of property.

For 1889, 25 cents on every \$100 worth of property.

For 1890, 25 cents on every \$100 worth of property.

For 1891, 25 cents on every \$100 worth of property.

For 1892, 25 cents on every \$100 worth of property.

For 1893, 22 cents on every \$100 worth of property.

For 1894, 22 cents on every \$100 worth of property.

This statement is brought up to date in a subsequent table, under heading "Statement Showing Rate of Taxation from 1874 to 1906."

No matter whether we look to the statement of the expenses of the State government year by year, or to rate of tax levied and collected, the fact appears beyond all controversy that by rigid economy at every point the Democrats were able to make all the improvements and do all the things hereinbefore enumerated without adding a dollar to the burdens of the people.

A stranger might well ask the question, why was it that the Republican party, with its millions at its command, did not build a single mile of railroad or do anything else in the way of improvement, while the Democrats with a low rate of taxation and small expenditures could do so much? The facts are herein given. The reader may make his own answer.

## DEMOCRATIC ADMINISTRATION IN COUNTY, CITY AND TOWN.

It is a well-known fact that the taxes levied on the people for the support of the county, city and town governments far exceed those levied for the support of the State government. It is also a fact that the administration of these governments come in close touch with the people. Hence it is just as much the duty of the party in power to provide good government for the people in county, city and town as it is in the State; and any party which by positive enactments or by neglect subjects the people of a county, city or town to misrule, to plunder and humiliation, is unworthy of the confidence and support of honest men.

When the Democratic party came into power after reconstruction it found that in many of the counties and towns of the east heavy taxes had been levied and collected, and the money had been stolen or squandered. The Republican party was weighed down by the negro, and to appease him, counties and towns were turned over to him to pillage and plunder. In many counties and towns in the east the county scrip was hawked about, and was really worth but little more than the worthless Republican State bonds. The credit of the counties and towns, like the credit of the State, was destroyed. Negro magistrates and negro officials then went through the farce of administering the law.

The Democratic party addressed itself to the work of bringing order out of chaos in those communities. Ignorant, vicious, worthless officials were replaced by competent white men; the levying and collecting of the taxes were closely scrutinized; rigid economy was practiced; honesty prevailed in every department; expenses were decreased, and all laws were faithfully and impartially administered. They found many counties and towns heavily involved in debt and without any credit, notwithstanding the rate of taxation was very high. The Democratic Boards of Commissioners commenced paying off this indebtedness and at the same time reducing taxation, and long before the change of parties, in 1895, the indebtedness had been paid off and taxation reduced to the lowest possible limit. As great and marked as was the change in public affairs in the State administration, it was not so marked and visible as was the change in the counties and towns of the east. In place of the dangers to life and the oppression to property which prevailed under Republican rule, people and property of all classes were absolutely secure under Democratic rule. The reasons for this were very plain and simple. Under Republican rule many of these counties and towns were under the dominion of ignorant negroes and vicious white men, who were dependent upon the negroes for the places they held. Under Democratic rule these same counties and towns were under the control of honest, capable white men. The lawless element among the negroes and the

whites also knew that honest, faithful, capable men were in charge of the local offices and there was a marked difference in their behavior. With this honest, faithful execution of the law came a feeling of security to life and to property, which did not and cannot exist under Republican rule.

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## THE ERA OF FUSION, OR THE SECOND ADVENT OF THE REPUBLICAN PARTY.

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In 1894, the Republicans, always agitating to undo what the Democrats had done, found a faction under Populist leaders willing to help them in return for a few Federal and State offices.

In that year, and again in 1896, fusion between the Republican and Populist parties was successful, and the government in the State, in the counties, and in the cities, passed out of the hands of the Democratic party; and again the negro became the dominant factor in the east, and in the control of the party in power.

They constituted two-thirds of the voters who had made fusion successful, and upon which it had to rely for continuance in power. Conscious of their power, the negro demanded a division of the offices, and equal participation in government.

It is needless to say this demand was heeded. As a result again, as in the days of Reconstruction, the local affairs of many towns, cities and counties of the east were practically turned over to the negro politicians of that section. They were sent to the Legislature, they were made magistrates, constables, policemen, deputy sheriffs, registers of deeds, school committeemen. They were not contented with filling municipal and county positions, but demanded State and Federal places as well. In some localities they were placed on committees to select teachers for white schools, and to visit and supervise white schools. They were made directors of State institutions, one of them being made director of the white deaf, dumb and blind hospital at Raleigh.

At one time during fusion about one thousand negroes were holding offices in North Carolina. Under these circumstances there was, of course, a repetition in the east of the conditions which existed under Republican rule during the Reconstruction period.

In the cities, towns, and counties thus controlled there was the same irresponsible, incompetent, and corrupt government which brought disgrace upon the State when the Republican party was in power during the 60's. Life was not safe, property was not safe, womanhood was not safe. It was a period of disorder and lawlessness, of wild



excitement, and universal terror. The worst of feeling existed between the races. Race collisions were common everywhere and race war was a constant menace.

#### GERRYMANDER CITIES TO GIVE NEGRO MINORITIES CONTROL.

The people doubtless remember the cities of Greenville, New Bern and Wilmington, and the counties of Craven, New Hanover, Bertie, Halifax, Granville, Warren, and other eastern counties. It might be well to recall briefly how vicious enactments of the fusion Legislature threw overboard the competent white government of the town of Greenville, and by a cruel gerrymander divided the town into four wards, two of them made in odd shapes in order that they might be controlled by negro majorities, leaving the other two with large white majorities. The negro wards were given two aldermen each and the white wards one alderman each. Under this fusion charter, at the town election, May, 1897, the two negro wards elected four negro aldermen and the white people elected two white aldermen. To be sure the four negroes on the board outvoted the two whites; and they elected as officers of Greenville a white Radical mayor, a white Radical chief of police, a negro clerk, a negro day policeman and a negro night policeman. The first mayor and chief of police elected by this *regime* were during their first term indicted for gambling. They came into court and admitted their guilt, but notwithstanding these facts they were each re-elected to their respective positions in the ensuing election, May, 1898.

The charters of the cities of Wilmington and New Bern were so changed by the Legislature as to take the control and management of the affairs of these cities out of the hands of the responsible people and turn them over to the tender mercies of the fusion Governor, Daniel L. Russell, by placing in the hands of the Governor the power to appoint one alderman in each ward, while the voters elected only one in each ward. This was a direct blow at the theory of self-government. And it was done by the fusion Legislature in the interest of the negro, while loudly proclaiming themselves in favor of government by the people; and boasting of their purpose to maintain self-government in North Carolina. The result was absolute negro domination and its attendant evils, lawlessness, arrogance, corruption, insult, robbery, burglary, incendiarism and unbearable municipal disorder, leading to conditions of race strife and riot, such as it is to be hoped may never be seen again in any part of our grand old State.

#### A SAMPLE OF REPUBLICAN RULE IN AN EASTERN CITY.

It is only necessary to give the result of fusion government in one city. That will show what fusion government meant in the east. Wilmington is selected because it was the home of Governor Russell.

It is well known that in that city Governor Russell absolutely controlled the Republican party. The conditions in New Bern, Greenville and other towns and cities in the east were but little better than in Wilmington. An extract from the sworn statement of Hon. John D. Bellamy, a resident of Wilmington, and then a representative of the Sixth Congressional District, will show the kind of government fusion gave in that city. This testimony was given in the Fowler-Bellamy contested election case:

"I stated that as a result of fusion legislation the city had been put under negro control, substantially; that although the white people owned about 97 per cent. of the property and paid that much of the taxes of the city, that we had a board of aldermen, with a white man for mayor, who didn't own a foot of land in the county, and paid comparatively little or no taxes; that three or four of the board of aldermen were negroes; that forty of the magistrates were negroes; that from fourteen to seventeen of the thirty on the police force were negroes; nearly all of the deputy sheriffs in the county were negroes; that the register of deeds of the county was a negro; that every health office of the city, a very important position, was held by negroes; that one of the three county commissioners was a negro; and the result of it was that a horrible state of misgovernment had been brought about; that night after night burglaries and robberies took place in town without any detection; that within about eight hundred feet of the city hall six burglaries had been committed within ten days without a detection; that one burglar had been arrested in a lady's residence, a negro burglar, was captured and held by the ladies until a police officer arrived, and that, although the offense was punishable by death and not bailable, he was let off on his own recognizance, or a straw bond, I have forgotten now which, and the negro escaped; that murders and crimes of all characters were of constant occurrence; that within about a year six murders had taken place in the county; that the negroes showed an utter disrespect for and defiance of the law; that the city authorities, in the exercise of their discretion upon sanitary matters, had located a hospital for infectious diseases on the outskirts of the town, and the negroes, several hundred in number, a complete mob, armed with guns, pistols and other weapons, went out, attacked, shot into and burned it down, and the mayor and policemen, although remonstrating, were powerless to resist it, and none of said negroes were ever arrested or tried for the offense; that in the trial of the causes in the court-house it was impossible to convict a negro of crime where a question of credibility arose between white witnesses and negro witnesses; that the juries, composed partly of whites and partly of blacks, would retire, and a hung jury was the result, the negroes always voting solidly in the jury box in favor of the acquittal of the negro, if a negro was on trial."

## SOME RESULTS OF REPUBLICAN GOVERNMENT IN A FEW EASTERN COUNTIES.

In New Hanover County forty negro magistrates were appointed. Bertie County got sixteen of these dusky dispensers of justice, law and "equity." Edgecombe got nearly twice as many, or thirty-one.

Craven County was blessed with twenty-seven of the ever faithful.

Halifax County was particularly obnoxious, having produced "Buck" Kitchin, who did not believe in negro magistrates, got twenty-nine of them.

Granville County got seventeen, while you wait.

Caswell County, which had not done quite so much for "our cause," received seven.

In all, there were named by the Legislature of 1895 three hundred negro magistrates in North Carolina.

So much for the dispensers of justice at the homes of the people.

But the negroes were not content with that. Years ago the negro did not aspire to the county offices. In that year, however, Craven County was given a negro register of deeds and negro deputy registers and three negro deputy sheriffs, a negro coroner and a negro commissioner.

A negro was elected register of deeds in New Hanover, negro constables and deputy sheriffs were appointed.

In Halifax, Edgecombe, Bertie, Warren, and, indeed, in all the black counties of the east, negroes were elected or appointed to public offices.

And if there was one office the negro was particularly unfit for, it was school committeeman over white children; and yet throughout the eastern counties there were a great many negroes appointed school committeemen over white children.

## AN ILLUSTRATION OF REPUBLICAN MANAGEMENT OF A STATE INSTITUTION.

John R. Smith had been appointed superintendent of the penitentiary, but there were so many scandals in the administration that Governor Russell transferred him to the head of the agricultural department; and it was rumored abroad that the Governor gave as the reason for making the transfer that there was so much peculation and thieving at the penitentiary that he wanted to get Smith away and into a place where he would not make way with any more of the public property.

The administration of the penitentiary under Governor Russell was a disgrace to the State. It shows the character of the men who were in charge of the State during the fusion era. For scandal, indecency, and downright corruption and dishonesty it is unique.

When the Republican party took charge of the penitentiary, it was self-sustaining. During the time it had control of it, it cost the State \$225,000.

The story of the scandals which took place in connection with the Republican management of this institution is too long to be recited here. One or two instances, however, are given by way of illustration.

#### SCANDAL NO. 1.

The Republican administration transferred the criminal insane of the State to the penitentiary and put them in charge of Dr. Kirby Smith. On September 17, 1897, Dr. Smith suddenly left Raleigh for New York city. Rumors were published that he had debauched some of those demented women under his charge, and on the 22d of September, five days after the publication of the charges, the directors of the penitentiary held a session. On the night of the 21st of September the chairman of the board said: "If Dr. Smith's resignation is in this morning it will be accepted and there will be no investigation of the charges against him. If it is not in, the charges will be publicly investigated. I have been assured it would be before the board to-day." It is thus seen that it was the purpose of the board to let the matter pass without an investigation. But the attendant in charge, Mr. Benton Williams, tendered his resignation and requested a full investigation. The investigation had to be made. After an examination the board declared that Dr. Smith had been guilty of indiscretion and gross immorality in his relations with the insane female patients under his care. Smith never returned to the State. He was indicted, but having fled the State, no requisition was issued for him.

#### SCANDAL NO. 2.

Shortly after the adjournment of the fusion Legislature of 1895 the Rev. Thomas W. Babb was selected by Superintendent Smith as chaplain of the penitentiary at a salary of \$60 a month, and he went to Halifax farm to begin his duties as spiritual guide to the convicts.

A protest was filed against the Rev. Babb, charging him with immoral and dishonest conduct. Upon investigation, it was found the Rev. Babb had been tried by the ministers of the Chowan Association in Edenton, N. C., upon certain charges, and unanimously convicted. One of the charges was habitual drunkenness. Another of the charges was collecting money to build a belfry for Plymouth church and refusal to pay over the money so collected; also for collecting money for Sunday-school supplies for Trawick Church Sunday-school and failure to account for the same. Another of the charges for which he was convicted was repeated falsehoods.



Babb was removed from his office as chaplain, but not in disgrace. He was simply transferred to the position of steward of the Halifax farm, and continued upon the fusion pay-roll.

This is a sad chapter from the fusion rule in North Carolina. Do you call it clean?

#### JUST A LITTLE FUSION EPISODE.

The fusion Legislature offered to let the public printing to the lowest bidder. Edwards & Broughton made a bid. Stewart Bros., of Winston, also made a bid. A committee of printers composed of J. C. Birdsong, who was examiner of State printing on the part of the State; J. H. Alford, who was foreman of the Biblical Recorder; and John Nichols, the former Republican member of Congress, after a careful examination, reported that the bid of Edwards & Broughton was \$581.88 lower than that made by the Stewarts; and yet the contract was given to the Stewarts.

To be sure there was a job in that against the interest of the people, and the job, as usual, ended in a scandal. The Stewarts had much of the State work done at Richmond, out of the State, thus depriving our printers of their work. And more than that, when the contract for two years work had expired, the State Treasurer claimed that the Stewart Bros. had drawn out \$10,000 more than they were entitled to, and the State has brought suit to recover \$10,000 from them as having been improperly paid to the public printers.

#### SHAME AND A HORROR.

During the days of fusion control Col. Jim Young, a big negro politician, flourished like a green bay-tree—and even now he has his place at the Republican pie-counter. Jim was not only chief fertilizer inspector under Russell, having white men under him, and grand mogul of the white deaf, dumb and blind institution, having three white men to do his bidding, but a clerk in the office of Revenue Collector Duncan, which latter place he still holds despite the fact that the Republican party now claims it is a white man's party in the State.

#### NOT A SCANDAL, BUT A CASE OF DOWNRIGHT STEALING IN TREASURER'S OFFICE.

W. H. Worth was the fusion Treasurer, and one of his trusted clerks was W. H. Martin, an old '68 Republican of the carpet-bag order. Several months after Treasurer Worth had gone out of office Mr. Lacy, our State Treasurer, discovered that there had been stealing during the Worth administration in the office to the extent of about \$16,000. Investigation showed that this amount of money had been stolen from the treasury by Major Martin. Subsequently Major Mar-

tin was indicted, confessed his guilt, was convicted and is now in the penitentiary.

#### FAILED MISERABLY.

When we recollect that this fusion Legislature was elected to "reform" things in the State, and to reduce salaries, we will be surprised to learn:

1. That it did not decrease any salary.
2. That it did not decrease any fees.
3. That it did not decrease appropriations.
4. That it did nothing in the way of relief, but much to make distress.

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## THE RECORD OF THE DEMOCRATIC PARTY SINCE THE OVERTHROW OF FUSION.

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Such were the fruits of Republicanism during the fusion era, or its second reign in North Carolina.

It brought the people of North Carolina again face to face with the conditions and questions of the reconstruction period. The great mistake and crime of 1868 had been softened by the amendment of 1877. The fusion action of 1896 opened the flood-gates anew to disgusting and degrading conditions. And once again the self-respecting whites put their shoulders to the wheel and triumphed over negroism, corruption and incompetency in office and administration.

In 1898 the Democratic party regained control of the Legislature, and in 1900 of the executive branch of the government.

Under the Democratic party since the overthrow of fusion we have enjoyed all the blessings of clean, honest and competent government. The good effects upon the people and the State are everywhere apparent and well-nigh universally confessed.

The public mind has been relieved of many disturbing apprehensions. Confidence in the future has been restored and established. Tranquility prevails. The people, white and black, have turned their attention more closely to their industries. Good order is everywhere observed, and the unrest which formerly prevailed has given place to cheerfulness and contentment.

The conditions thus brought about by Democratic rule, and by the settlement of the race question, in a way assuring permanent white ascendancy and control, has invited the establishment of new industries, and has led to the inauguration of new enterprises.

These changed conditions have inspired our people with hope and confidence, and imparted to them a new energy, which is being every-

where manifested in the betterment of our social and political conditions, and the development of our material resources.

The work of the Democratic party in rehabilitating the State, in reforming abuses, in providing adequate remedies against a recurrence of the intolerable evils of fusion and negro government, of establishing honesty and decency in the administration of the affairs of the State, in restoring competent town, city and county government, in providing enlarged opportunities for the education of the children of the State, and giving to every school district at least a four months' term; in enlarging and extending the University, the normal and industrial, and the agricultural and mechanical colleges, and better providing for the insane, the deaf, the dumb, and the blind; in making more liberal provision for the old soldiers, and regulating the liquor traffic and reducing that great evil to a minimum—will be elsewhere recounted and elaborated more in detail.

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## THE MATERIAL PROGRESS IN NORTH CAROLINA UNDER DEMOCRATIC RULE.

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"In the assessed value of property in the South the increase was from \$5,260,000,000 in 1900, to \$6,191,000,000 in 1905. In this increase Texas leads with \$168,000,000, North Carolina comes next with \$130,000,000, Georgia is third with \$88,000,000, with other States much less."

"The percentage of increase of the whole South was seventeen per cent., while in North Carolina the percentage was forty-one per cent., and in Texas only eighteen per cent., giving us a percentage over all."

In 1904 there were raised in North Carolina about 600,000 bales of cotton and our manufacturers consumed more than was made.

In 1890 the gross value of our farm products in round numbers was \$50,000,000, while in 1905 it was nearly \$95,000,000.

Our manufactured products were, in 1890, \$40,000,000, and more than \$100,000,000 in 1905.

In 1890 we had only 3,354 looms, in 1904 we had over 46,000 looms, making us, according to the report of the President of the Manufacturers' Association, the third State in the Union in the number of looms and spindles.

In the report of Secretary of State Grimes we find that there were chartered in North Carolina for the year ending December, 1905, 695 corporations.

The report of Commissioner of Labor Varner shows that the capital invested in mills in this State in 1904 was in round numbers \$32,000,000, as against \$18,000,000 in 1900.

In November, 1904, there were in the State 183 State banks with resources amounting to, in round numbers, \$31,000,000, while in November, 1905, we had 238 State banks with resources of \$41,000,000, an increase of over 53 State banks and over \$9,000,000 in resources in one year.

Since 1899 over 500 miles of railroad have been constructed and put in operation in the State, and 300 miles of railroad is now in process of construction.

In 1904 and 1905 797 new school-houses were built in North Carolina.

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## RAILROAD BUILDING AND TAXATION UNDER DEMOCRATIC AND REPUBLICAN RULE CONTRASTED.

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The Republicans, under the plea of building railroads for the convenience of the people, issued, as we have already seen, millions upon millions of dollars of State bonds. But did they build the roads? No. They printed the bonds, sold them, pocketed the money, divided the plunder and did not build a mile of road anywhere in the State! When the Democrats came into power in 1877 they found the State but little better provided with railroad and transportation facilities than it was at the close of the war. The Democratic party addressed itself to this great need of many sections of the State, and by open, honest, straightforward work, and by dealing honestly and fairly with investors and capitalists, they started anew railway building, and railway construction went forward at a rapid rate.

On January 1, 1877, when the Democrats came into full power in the State after the war, there were only 1,341 miles of railroad in the State.

On the 1st day of January, 1895, when the Republicans again came into power in the State, there were 3,400 miles of railroad.

There were then constructed in the State during these eighteen years of Democratic administration 2,059 miles of railroad—about six hundred miles more than was built in the balance of the history of the State.

As stated, the Republican party came into power the second time in this State in 1895, and they held the State until 1899. During these four years of Republican rule railroad building practically ceased—less than eighty miles of railroad having been built in the State.



The Democrats came back into power in 1899, and since then 513.42 miles of railroad have been built and put in operation, and more than 300 miles are now in process of construction.

But little railroad property was returned for State taxation on the 1st of January, 1877. The value of all the franchises, as we get it from the office of the Railroad Commission, was then \$859,021, and the tax thereon paid into the State Treasury was only \$1,179.

The value of the railroad property as returned for taxation January 1, 1895, was \$24,501,899, and the tax thereon paid into the State Treasury was \$61,254. The State, county and municipal tax on this railroad property amounted in 1895 to about \$240,000. Observe the large increase!

The assessed value of railroad property in the State at the end of Republican rule in 1899 was \$32,522,921.19. It was at the last regular assessment in 1903, under Democratic rule, \$69,598,129. Under the Republicans the largest amount of taxes, State, county and municipal, paid on railroad property was about \$325,000; while under Democratic assessment they have been paying \$695,000 yearly.

In January, 1877, when the Democrats came into power, there were forty-two counties in the State without railroad facilities. In January, 1895, when the Democrats went out of power, there were but thirteen counties without these facilities; and since they have returned to power that number has been reduced to seven. These facts need no comment. They tell their own tale and speak in thunder tones of the glorious era of Democratic rule.

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## EDUCATIONAL AWAKENING AND PROGRESS.

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Its record warrants the Democratic party in making modest but unquestioned claim to earnest advocacy, and active and continuous advancement of the cause of education for all the people. Under Democratic administration the public school system in North Carolina was brought to such effectiveness that it could be truthfully claimed that at the beginning of the Civil War North Carolina led all the Southern States in its system of public schools. So earnest and so sincere was the Democratic party in its desire for the advancement of the public schools that it held and kept in office for thirteen years Calvin H. Wiley, the first superintendent of these schools, notwithstanding he was an avowed Whig, because of his recognized superior fitness for the office. During all the vicissitudes of the Civil War, with all its pressing demands for all available funds for its prosecu-

tion, the public school fund of North Carolina was kept intact, the rights of the children to those funds held inviolate and the public schools kept open.

In 1865, when Sherman's army entered the city of Raleigh, Calvin H. Wiley, the superintendent of common schools, was in his office receiving reports from these schools. Then followed, under Republican administration, a period of revolution, robbery and ruin. The public school fund was squandered, the taxes levied for public school purposes were collected, but only a small part of them was used for the public schools. All over the State the schools were closed, or, if open at all, open but a few weeks, the public school houses tumbled into decay, the public school system fell into chaos. It was no wonder that the public schools, under such management, lost the confidence, the respect and the patronage of the people.

In 1876, when the Democratic party came fully into power again, the public schools were one of the first objects of its solicitous attention. Under the mismanagement of the Republican administration the University, the oldest, the most honored and most useful of our public institutions of learning, had forfeited the confidence and support of our people and had been compelled to close its doors for lack of patronage in 1874. It was reorganized and reopened in 1876, and, under Democratic administration, has had, from that time, a continuous career of success, usefulness and growth.

#### COLLEGES AND TRAINING SCHOOLS.

Under Democratic administration, the College of Agriculture and Mechanic Arts has been established for the training of our young men in agriculture and all industrial and mechanical arts, and fostered in its growth and usefulness until it takes rank to-day as one of the leading institutions of the kind in the entire South. A similar institution for the training of the negroes in these practical arts of agriculture and industry has also been established and maintained. Under Democratic administration the State Normal and Industrial College for the higher education of young women and for the preparation of them for practical life in home, on the farm, or in the business world, and for their training as professional teachers, has been established and fostered, until it stands pre-eminent among institutions for women in the Southern States. Other successful institutions for the training of teachers have been established at Cullowhee and Boone.

For the training of colored teachers, the Democratic party, with characteristic justice and liberality, has maintained several colored normal schools in different sections of the State. These colored normal schools have recently been consolidated into three, and placed under the superintendence of a trained, efficient North Carolina white

man, and it will be sought through these schools to instill into the negro teachers wise and sane ideals of education for their race, that these teachers may, in turn, give to the children of their race, through the public schools, such training and such ideals as will better fit them for the work that they must do in the world, and for usefulness in their recognized sphere of action. The salary of the superintendent of these colored normal schools will, of course, be paid out of the annual appropriation heretofore made to these schools.

The brightest page in the educational record of the Democratic party, however, is that which records its successful efforts and wisely increased expenditures for the improvement of the lower public schools, and especially of those in the rural districts. This honorable record will appear in part from the following facts and figures taken from the records in the office of the Superintendent of Public Instruction.

#### INCREASE IN SCHOOL FUND AND IMPROVEMENT OF COUNTRY SCHOOLS.

In 1871, under Republican administration, the amount collected for the public schools was \$115,042.57. In 1872, under laws passed by a Democratic General Assembly, the school fund was increased to \$211,239.22. Under Democratic administration, the fund gradually increased until, in 1894, it amounted to \$777,079.29.

Then followed the four years of fusion rule, during which the fusionists continued to collect the taxes for schools as levied by the Democrats. The largest amount collected by the fusionists was that of 1898—\$988,409.11. In 1899 a Democratic General Assembly made a special appropriation of \$100,000 for a four months' term in the public schools. In 1900, the first year of the complete restoration of the Democrats to power, the total school fund was \$1,031,327.94. In 1901 an additional special appropriation of \$100,000 was made by the Democrats to aid all public schools to have a four months' term. Without increasing the rate of general taxation for schools, the public school fund, under the present Democratic administration, has gradually increased, as will be seen from the following figures: 1901, \$1,119,746.47; 1902, \$1,323,557.72; 1903, \$1,353,108.48; 1904, \$1,777,624.66; 1905, \$1,970,314.65. These amounts do not include local taxes levied by special districts.

## INCREASE IN LENGTH OF SCHOOL TERM.

The following tables show the comparative length of the annual public school terms during four years of fusion rule and four years of Democratic rule:

## Fusion rule—

1895 .....	12.45 weeks.
1896 .....	12.42 weeks.
1897 .....	11.73 weeks.
1898 .....	14.06 weeks.

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Total ..... 50.66 weeks.

## Democratic rule—

1900 .....	14.66 weeks.
1901 .....	15.56 weeks.
1902 .....	16.48 weeks.
1903 .....	16.7 weeks.

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Total ..... 63.40 weeks.

1904 ..... 17 weeks.

1905 ..... 17.4 weeks.

From these figures it will be seen that during the four years of Democratic administration, as compared with the four years of fusion administration immediately preceding, the public school term was increased  $12\frac{3}{4}$  weeks, and the average length of the annual public school term has been increased 4.69 weeks since 1895.

During the four years of Democratic administration immediately preceding the fusion rule, \$3,019,103.30 were expended for the public schools, which were taught 50.46 weeks during the four years, or an average of 12.61 weeks per year. During the four years of fusion administration—1895, 1896, 1897, 1898—\$3,461,393.12 were expended for the public schools, and the public school term was lengthened only one day in the four years. A little calculation will show that under fusion rule one day of school in North Carolina cost the State \$442,289.82.

THE DEMOCRATIC PLEDGE OF A FOUR MONTHS' SCHOOL HAS  
BEEN KEPT.

For the year ending June 30, 1905, the average length of the public school term for the State was 17.4 weeks. All the reports have not yet been received for 1906, but they will probably show an additional increase in the length of the public school term.



## FUSION RULE CHECKED EDUCATIONAL PROGRESS.

While the fusionists, when they came into power, did not dare to cut off the appropriations for public schools, as established for many years by the Democrats, yet, by their law under which negro committeemen could control white schools, they effectually checked educational progress and lessened educational interest. On account of this law, and the general lack of confidence in the fusion administration and of respect for it, there was, in spite of the active efforts of an honest and efficient State Superintendent of Public Instruction, a very decided decrease in the enrollment and attendance of the white schools. In 1894, the last year of Democratic administration preceding fusion rule, 235,486 children were enrolled in the white schools. In 1897, in the midst of fusion rule, notwithstanding the increase in the population, only 222,252 children were enrolled in the white schools, a decrease of 13,234.

## INCREASE IN ENROLLMENT AND ATTENDANCE UNDER DEMOCRATIC ADMINISTRATION.

The surest evidence of renewed confidence and increased interest in the public schools, under the present administration, is to be found in the marked and significant increase in the enrollment and attendance of these schools. There has been an increase in both enrollment and average daily attendance during each of the past six years of Democratic administration.

In 1905, there were enrolled in the schools 325,290 white children. This was 2,108 more white children than were ever before enrolled in the public schools of North Carolina, and, as will be seen from a comparison of figures, 103,038 more white children than were enrolled in the public schools in 1897 under fusion rule. In 1905, the average daily attendance of the white schools was 196,898. This was 2,505 more white children than had been in average daily attendance during the year 1904, and was 86,221 more white children than had been in average daily attendance under fusion rule in 1897.

Think of it: 86,221 more white children in average daily attendance on the public schools in 1905 under Democratic administration than in 1897 under fusion administration!

## IMPROVEMENT IN PUBLIC SCHOOL HOUSES.

In nothing has educational progress, under the present administration, been more marked, permanent and wise than in the improvement of public school houses and their equipment. Recognizing a decent, comfortable school-house as an absolute necessity for a successful school that shall merit and command the respect and patronage of

the people, the present administration set to work earnestly to help the people secure such a house in every school district. To prevent the waste of money in inferior and improperly constructed houses, the law was amended so as to place the building of houses under the general supervision of the County Board of Education, and to require all houses to be constructed in accordance with plans approved by the County Board of Education and the State Superintendent of Public Instruction. A pamphlet containing cuts and plans for public school houses, from one to eight rooms in size, together with full specifications and complete bills of material, was prepared by competent architects in accordance with the best modern principles of school architecture and distributed from the office of the State Superintendent. Most of the new school-houses have been built in accordance with these plans, or plans slightly modified to meet different conditions. The result has been a marked improvement in the character, comfort and sanitary conditions of public school houses.

#### STATE LOAN FUND FOR BUILDING AND IMPROVING PUBLIC SCHOOL HOUSES.

The General Assembly of 1903 very wisely authorized the use of the public school fund that had gradually accumulated in the State Treasury from the sale of swamp lands belonging to the State Board of Education, until it amounted to about \$200,000, and of further accumulations from this source, as a permanent loan fund for building public school houses, placing the fund under the control and direction of the State Board of Education. These loans are payable in ten annual instalments and draw interest at 4 per cent. Under the rules and regulations of the State Board of Education preference is given to rural and special tax districts, and only one-half the cost of school-houses and grounds can be lent to any one district. This fund was not available until August, 1903. Since that time from it \$224,053 have been lent to 83 counties, and 592 school districts have been aided in securing 488 school-houses valued at \$569,570. In other words, by lending \$224,053 public school property has been secured, valued at nearly three times that amount. The law secures absolutely the repayment of these loans by a lien on the entire school fund of the county and district. Every cent of every instalment of every loan has been promptly paid when due and lent to other needy districts.

Through the stimulus and aid of this fund and through the agitation and cultivation of public sentiment for improvement of school-houses, there has been a wonderful increase in the number of public school houses built during the present administration, and a wonderful improvement in the comfort and character of those houses. The following table shows the number of

## NEW HOUSES BUILT.

1902, number of new school-houses built.....	329
1903, number of new school-houses built.....	347
1904, number of new school-houses built.....	346
1905, number of new school-houses built.....	440

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Total number of new school-houses built in 4 years.... 1,462

Under Democratic administration, during the past four years more than one new comfortable school-house for every day in the year has been built. At this rate, we may reasonably expect the children of every school district in the State to have a decent, comfortable school-house in the near future.

## LOCAL TAXATION.

As another result of awakened interest and increased confidence under Democratic administration, the number of school districts levying, by a vote of the people, a special local tax to supplement the State and county fund for a better public school, has increased from thirty in 1900 to four hundred and fifteen in 1906, an increase of three hundred and eighty-five local tax districts in four years. At least three hundred and forty-eight of these districts are distinctly rural. In territory they are scattered from Dare to Cherokee. The idea of improving public schools by local taxation is rapidly spreading.

Total amount raised in 1905 by local taxation, \$338,414.23.

## RURAL LIBRARIES.

The Democratic General Assembly of 1901 passed an act appropriating \$5,000 to the establishment of rural libraries, the number being limited to six in the county, and the conditions being that the district applying for libraries should raise \$10 by private subscription, and that \$10 should be taken from the school fund and \$10 from the State appropriation, making \$30 in all for each library. The General Assembly of 1903 appropriated the same amount for the establishment of new libraries upon the same terms, and \$2,500 in addition for supplementing libraries already established, not more than \$15 to be allowed for the supplementary libraries, \$5 from the State appropriation, \$5 from private subscription and \$5 from the district fund. These biennial appropriations were made permanent by the General Assembly of 1905. Under these acts of the Democratic General Assembly, one thousand two hundred and fifty-nine rural libraries, containing about one hundred and ten thousand volumes of well-selected books, have been established. In addition a number of supplementary libraries have, also, been established. No



one can measure the benefits of these well-selected rural libraries, quietly and constantly at work among the people of the rural districts in the dissemination of general information, the formation of literary taste, the cultivation of the habit of reading, and the shaping of higher ideals of character, life and action.

#### SUMMARY.

Voter, friend of education, the record of the two parties on public education is before you. In its earnest advocacy of the people's schools, throughout all its history, the Democratic party has been true to the teachings of its great founder, Thomas Jefferson, who was the most eloquent and effective advocate of public education in the early days of the republic; true to its traditions and history as the bravest and boldest champion of the rights of the many, true to its cardinal doctrine of equality of opportunity to all, true to the declaration of the Constitution that "Religion, morality, and knowledge being necessary to good government and the happiness of mankind, schools and the means for education shall forever be encouraged"; true to the declaration of the Bill of Rights that "The people have a right to the privilege of education, and it is the duty of the State to guard and maintain that right."

Under Democratic administration, the public school system was first brought to efficiency before the war. After the Civil War, under Republican administration, the system fell into chaos, the funds were squandered, the schools were either closed or became so inefficient as to be unworthy of the confidence, respect and patronage of the people. Under Democratic administration, from 1876 to 1895, the school system was reorganized, the schools were re-opened, new institutions of learning were established, there was a gradual but continual improvement in the system and in the schools, a rapid increase in the school fund and in the expenditures for school purposes in proportion to the increase in the wealth of the State and in the requirements of the schools, and a corresponding increase in the efficiency of the schools and in the confidence and respect and patronage of the people. Under fusion rule, from 1895 to 1899, educational progress was checked, and, notwithstanding there was no decrease in the rate of taxation for schools and no material decrease in the school fund, there was a marked decrease in the enrollment and attendance of the public schools, showing a deplorable loss of the confidence and the respect of the people. With the return of the Democrats to power in 1900, there was a restoration of public confidence and a wonderful awakening of public interest in public education. The present Democratic administration has been an era of wonderful progress in education, marked by a commendable increase in the public school fund and in the length of the public school term without any increase in the rate of taxation for public school purposes, a remarkable increase in en-



rollment and attendance, a wonderful improvement in public school houses, a marvelous increase in the number of new school-houses built, a rapid growth of the idea of self-help finding expression in local taxation, and a contagious enthusiasm for education such as was never known before in the State, resulting in filling to overflowing all the schools in the State, high and low, public, private and denominational.

The Democratic party proudly points to its past record in education as earnest of its future record, and confidently rests upon that its claim to the support of every honest friend of education.

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## TEMPERANCE LEGISLATION.

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### THE ACTS OF 1903 AND 1905.

The Watts Act of 1903 and the Ward Act of 1905 constitute the record of the Democratic party as to general temperance legislation in the last four years. A careful study of these acts will convince one of their beneficence; and, what is better, conditions throughout the State are overwhelming testimony to the wisdom and righteousness of these acts.

As a result of the operation of these laws the number of revenue stamps issued in proportion to our population in North Carolina is less than in any other State save South Carolina and Mississippi, the ratio being 2,380 people for every stamp issued. The ratio in Maine (a prohibition State) is one revenue stamp for every 700 people; of Kansas, one stamp for every 517 people.

This pleasing condition is attributable not to sumptuary laws, but, on the contrary, to legislation which has either expressed the mind of the people or given them ample opportunity to express their mind.

For the Watts and Ward acts, enacting prohibition in the unpoliced and unprotected rural districts, and giving local option in our policed municipalities, have precisely met the situation in North Carolina; and the result is a most gratifying state of affairs.

Saloons and distilleries may exist in towns and cities where a majority demand them.

Dispensaries may exist in towns and cities where a majority demand them.

Prohibition may be had in towns and cities where a majority demand it.

On the other hand, in the unpoliced districts, where the population cannot well police or regulate the liquor traffic, and where the saloon

and the distillery are likely to do the most harm, and where the people had for years indicated in no uncertain way, by the incorporation of schools and churches with the expressed and single purpose of prohibition, that they would not permit them to exist, they have been forbidden.

#### THE WATTS ACT OF 1903.

The Watts act forbids the sale or manufacture of intoxicating liquors within the State of North Carolina except in incorporated cities or towns.

To this limitation there are certain exceptions, namely:

(1) Such liquors may be sold by druggists, in town or country, upon proper prescription.

(2) Wine or cider manufactured from grapes, berries or fruits raised in the lands of the person so manufacturing, or purchased by the manufacturer from the growers thereof, are excepted from the application of this act.

(3) "This act shall not apply to brandy manufactured from fruit or grapes and sold in original packages of not less than five gallons."

N. B.—*Observe the protection vouchsafed the farmer.*

#### TOWNS AND CITIES.

In the second place, the Watts act provides that towns and cities may vote on the drink question upon petition of one-third of the qualified voters, and that in such elections the will of the majority shall hold. The vote may be on the following questions: "For Distilleries," "Against Distilleries"; "For Saloons," "Against Saloons"; "For Dispensaries," "Against Dispensaries."

This is nothing more or less than a fair and square local option law, enabling our towns and cities to take such measures to govern the traffic in intoxicating liquors as may seem best.

#### THE WARD ACT OF 1905.

The Ward act is supplementary to the Watts act. The passage of this act was received by all concerned as the decisive evidence that the Democratic party had entered upon its reasonable and constructive regulation of the liquor traffic without fear, and was not to be daunted in its determination to serve the Commonwealth.

The Ward act simply applies the principle of the Watts act—which had already received the hearty approval of the people of North Carolina. It was found that there was danger that distillers and sellers of liquor would here and there evade the intent of the Watts act by setting up in some practically defunct municipality or some

little town, which could be controlled, but which could not police the traffic. The Ward act, therefore, required in addition to the incorporation of a municipality, a certain population (1,000) and a certain number of police and certain acts of policing—weekly inspection.

It also provided for better law enforcement, making the possession of a United States license *prima facie* evidence of liquor manufacturing or selling. And in this connection we may point to the earnest and successful efforts of our State and county officers, led by the Governor himself, to enforce these laws. Nor should we omit to mention the excellent work of our solicitors and judges. Punishment of offenders has been prompt and strict; there have been no pardons. And as a consequence there are fewer illicit distilleries in the State than at any time in its history, and the rural bar-room and rural blind tiger have utterly disappeared.

It is no wonder that our Secretary of State and others have received from throughout our nation calls for copies of laws that have worked so admirably.

#### THE BASIS OF THE WATTS AND WARD ACTS.

It has been shown that the Watts and Ward acts provide for the exclusion of bar-rooms and distilleries from rural or insufficiently policed districts; and for local option as to the several recognized modes of treating the liquor traffic in the municipalities.

How logical this step was will appear when one perceives how it fits in with and adjusts itself to the actual conditions in our Commonwealth:

(1) By natural action the bar-rooms had already passed out of the rural districts of North Carolina. This had been brought about by the schools and churches and the improvement in the standards of the people. The Watts and Ward acts simply made complete the movement that the churches and school-houses had practically swept North Carolina with.

(2) While there were few country bar-rooms, there were many distilleries of the baser sort—hidden deep in the woods, centers of lawlessness, menaces to peace and order, and most of them constantly defrauding the government.

The Watts act had the effect of bringing the legitimate distilleries into the light and of quenching out the illegitimate distilleries; in each case conferring a boon upon the rural districts for which they had been preparing many years.

In evidence of this the fact may be cited that every General Assembly for twenty years has been called upon to incorporate an increasing number of school-houses and churches for the single purpose of forbidding the manufacture or sale of intoxicating liquors within from

two to five miles of them. The General Assembly of 1901 thus incorporated about 900 such institutions located in all parts of the State.

(3) Under this process, under the operation of the former local option law, and under the law giving county commissioners discretion in granting licenses to sell intoxicating liquors, North Carolina had become by 1903 largely prohibition territory, as the following statements will show:

In sixty counties out of ninety-seven the manufacture and sale of intoxicating liquors was forbidden.

In the other thirty-seven counties the incorporation of churches and school-houses had greatly restricted the liquor traffic. The cross-roads bar-room had already reached the vanishing point.

*So, therefore, the Watts and Ward acts are not only not radical, but are simply a step in the direction in which North Carolina has been moving for a generation; a recognition by the Democratic party of the well-matured convictions of the people and a response to those convictions worthy of a party that is truly democratic.*

As a further evidence of the state of public sentiment we may cite the fact that in 1901 and 1902 the Democratic leaders were besieged with petitions for improvement of our laws relating to the drink problem; and upon short notice petitions numbering full forty thousand names poured in upon the General Assembly in 1903. In 1905 the demand was as positive and universal as ever. Seldom in our history has a General Assembly been so earnestly petitioned in behalf of a cause.

This followed appropriately the adoption of that constitutional amendment, which we promised should free the hands of the people of North Carolina. Never was a policy or a promise so gloriously vindicated. Since that amendment was enacted we have not only political peace, but we have industrial confidence, educational prosperity and moral progress surpassing any period in all our good State's history.

#### THE WATTS AND WARD ACTS AND THE FARMER.

The Watts and Ward acts are considerate of the farmer. Under them he can manufacture and sell brandy and wine, produced from his fruits or grapes or berries, or produced from fruits, grapes or berries produced by others and purchased by him.

On the other hand, these acts protect the farmer's home. They banish from the cross-road and the highway the country bar, which, carrying on its traffic without police surveillance, was so prone to break the law and so apt to send along the highways men intoxicated and in condition to disturb the peace and happiness of our country communities. From time immemorial the bar at the cross-roads has



been the fountain of strife and disorder, and thousands of murders have been originated in them, removed as they were from the direct control of the officers of the law.

In later years the secluded distillery has taken the place of the bar-room, for which the light of the country churches and schools had proved too strong. These distilleries were of small capacity, located far from the conservative influences of the time, always centers of lawlessness, the gathering-places of evil-doers, frequently defrauding the United States government, making trouble for the local authorities, and not only disturbing the peace of our country homes, but greatly hindering the work of the country schools and churches. Their presence was a constant source of uneasiness, and, where negroes were numerous, of actual trouble.

The conflict between the law-abiding people on one hand, and the distillery elements on the other, have reached a point. For twenty years the General Assembly had been incorporating churches and school-houses, this being the plan of our rural communities to protect themselves against the distilleries and bars. As Governor Aycock said to the State Convention at Greensboro, it had become a question whether we were to stand by the churches and schools or the distilleries; for while in the policed districts churches and schools have been known to flourish in spite of the bars, they have never been known to thrive in unpoliced districts where there were either bar-rooms or distilleries.

With such an alternative there could be no question of the choice of the Democratic party of North Carolina, consisting as it does of the rank and file of North Carolina's best people and standing as it does and always has for the institutions that make for progress in enlightenment, righteousness and the elevation of the human race.

And while the party deplores that any political body could stoop so low, it could congratulate itself that its opponents in this campaign have made the fatal blunder of denouncing this legislation.

#### NO DISCRIMINATION.

Our opponents charge that this legislation is (1) partisan; (2) discriminative.

Let us examine the facts.

A partisan act must be in the interest of a party or opposed to the interest of a party. The acts make no distinction between the parties, applying to all without exception. The charge is absolutely groundless.

These acts have the effect of putting the distilleries in our rural districts under the ban of our State and county officers. This has greatly reduced the number of distilleries and has made it easier to inspect those that survive. This has the effect of reducing the number of

revenue officers, of course. But to argue that this was the motive for the Watts and Ward acts is no more sound than to argue that any other law that improves conditions was designed to reduce the number of officers of the law. The Watts and Ward acts' prime motive was to improve conditions, and as such the people value them; their collateral effect was to reduce the number of revenue officers, which as a matter of economy and progress in government will likewise be appreciated.

As to discrimination, the case is equally clear. Discrimination without a difference is wrong; but differences in conditions always justify distinctions in the treatment of those conditions. There is one law for the head, another for the stomach; one law for one State, another for another; one law for one age, another for another. These acts provide local option for the municipalities, limited prohibition for the incorporated and unpoliced districts. Our obligation is to show that this distinction is based upon a proper regard for differences in the respective conditions of town and country.

First, let it be observed that such distinction as there is is in favor of the rural districts. The banishment of the cross-roads bars and the back-woods distilleries can but be regarded as a boon to all peace-loving residents of our rural districts.

Second, let it not be forgotten that by the incorporation of schools and churches the rural districts had practically prepared themselves for this enactment.

Third, bear in mind that by petition and by local action the rural districts had practically registered their will in this matter. Instead of incorporating all the churches and schools, the General Assembly simply passed a general law answering the same purpose.

Now, for the statement of the reason underlying this action by the General Assembly, let us refer to the statement in the Democratic platform:

"We approve the general principles of the Watts law regarding the manufacture and sale of liquors, and limiting the same to localities in which there may be adequate police protection. The principle that no saloon or still shall operate except under police protection is as sound as that whiskey shall not be sold to minors, to drunkards, or on Sundays, or near the schools and churches. The General Assembly has the power, and when controlled by the Democratic party can be trusted to make all amendments that experience and conditions may demonstrate to be wise and proper."

"Limiting the same to localities in which there may be adequate police protection."

"The principle that no saloon or still shall operate except under police protection is as sound as that whiskey shall not be sold to minors, to drunkards, or on Sundays, or near the schools and churches."

In the town the bar-room and still are under the eye of the police; in the country, they are not. Consequently, as a mere matter of preserving the peace and protecting men in the pursuit of happiness, the saloon and distillery cannot be permitted in unpoliced districts. The distillery hid in the woods may go to any extent of lawlessness, may sell to minors, may defraud the government, may organize a local reign of terror, and there is but limited remedy. But in the town it is under constant watch. The bar-room at the cross-roads has by reason of its unpoliced condition invariably proved a center of disorder and crime; and from its doors may proceed at any time drunken men—often negroes—irresponsible and on fire with criminal purposes.

So far from being objectionable, the conservative people throughout North Carolina have approved this feature of the act as the most beneficent piece of legislation in a quarter of a century. It is calculated not only to make residence in the rural districts more desirable than ever, but to have an immediate effect in increasing the value of country property. With our free schools flourishing as they are and the country districts delivered from the bar-rooms and distilleries, we may expect to see the tide of population turn again to the farms, and the quiet country home once more extolled as the place to live the nobler life and to rear men and women to lead the Commonwealth.

The claim that the question should have been submitted to a vote is a mere pretext of the opposition. More than three-fourths of the State had already spoken. True citizens do not object to having a boon conferred upon them simply because they were not required to work for it, going to the expense and trouble of a campaign. To be sure there is opposition, but mark its sources: (1) Revenue officers, who no longer have an excuse for drawing their salaries; (2) distillers, who are compelled now to carry on their business in the open; (3) politicians seeking an issue with which to stir up the prejudices of the ignorant.

It should also be added that in justice to the country people it is expressly ordained in this act that half the profits from such dispensaries as may be established shall go into the county treasury.

#### THE WATTS AND WARD ACTS AND THE TOWNS AND CITIES.

There could be desired no better approval of an act than the history of the operation of the local option feature of the Watts act. Freed from the incubus of the negro vote, the white people of North Carolina have addressed themselves earnestly to the treatment of the drunk problem.

At eleven places, namely, Washington, Wadesboro, Wilmington, Rocky Mount, Tarboro, Weldon, Scotland Neck, Spring Hope, Reidsville, Roxboro, Salisbury, Morganton and Marion they have voted for



high license, and at some of these they have passed ordinances governing the liquor traffic strictly; at Elizabeth City, New Bern, Goldsboro, Nashville, Benson, Hillsboro, Greensboro, Durham, Roanoke Rapids, Charlotte, Statesville, Southport, Jacksonville, Pilot Mountain and Graham, they have voted for prohibition; at Wilson, Greenville, Kinston, Henderson, Oxford, Raleigh and Fremont they have voted for dispensaries.

The Democratic party does not commend any one of these measures particularly. It recognizes that there is a problem before our people in treating the consumption of intoxicating liquors; it goes so far as to declare in its platform that such liquors should not be sold in bar-rooms or manufactured in commercial distilleries where there is not ample police protection; and for the rest, it is content to refer the matter to the organized communities, giving them leave to choose that method which seems to them wise and right, confident that they will work out a wise and enduring solution of this perplexing question.

#### CONCLUSION.

The following virtues are claimed without fear of contradiction for this legislation:

(1) It is admirably adapted to conditions in North Carolina. In all the history of legislation on this difficult subject no act has been drawn that equals this act in this respect. It proceeds directly out of the developments of the last twenty years and may be pointed to as a straight result of the constitutional amendment.

(a) It is considerate of the farmer and fruit producer, causing him no loss.

(b) It protects the farmer's home.

(c) It follows up and makes complete the work of the rural school and church, ridding them of the baleful influences of the cross-roads bar-room and the secluded distillery.

(d) The people have tried this legislation and have widely approved it.

(2) It gives the Federal government the assistance of the State and county officers in dealing with illicit distilleries; and it brings the legal distilleries into the light and control of organized and policed communities.

(3) It gives our organized communities the privilege under fair and just conditions of treating the drink problem in any one of the three recognized ways of treating it, thus putting our people in a fair way to solve this difficult question.

The act thus combines in rare degree motives of patriotism, consideration for conditions, and practical wisdom. It has proved in the highest degree successful; and under its ministrations as the years shall add to our experience as a people we may expect to work



out a solution of the drink question that will command the admiration of civilization.

In all the history of the Democratic party in North Carolina, so fraught with service to the Commonwealth, there is no record more likely to command the gratitude of the people than this. It required courage; it required wisdom; and it required that love for the Commonwealth which is willing to suffer for the welfare of the people. Should the party be called upon to prove its title to these virtues, well may it point to its record in this matter.

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## CORPORATION LAWS AND CORPORATIONS CHARTERED.

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The unprecedented development of North Carolina in the past few years is a source of great gratification to all citizens of the State. In agriculture, in commerce, in industries our growth has been wonderful.

Our advancement industrially has been especially marked and this has been emphasized by the rapid increase in industrial enterprises in the past few years.

A combination of capital with limited individual liability seems now to be the most satisfactory mode of commercial and industrial progression.

### STATE'S ATTITUDE TOWARDS CORPORATIONS.

North Carolina has always been, is now, and will always be an agricultural State, as four-fifths of her population are directly dependent on agriculture for a livelihood; but she is fast becoming also one of the foremost manufacturing States of the South.

It has been erroneously stated and believed that as an agricultural people we were hostile to combined capital engaged in industry and commerce. This is unfair to our State and people, and that such a feeling should have existed at all has its foundation in the fact that certain corporations have escaped the payment of their just proportion of the taxes necessary for running the State government and have been unmindful of the State's interest.

The eagerness with which our people welcome capital, giving building sites, rights-of-way, voting bonds, subscribing to bonds and offering other inducements to corporations is an eloquent denial of the too flippant charge that we would repel capital and impose upon corporations.

The policy of the Democratic party is to give capital absolute protection, but let it understand that it comes to foster, not to destroy.

## A FEW FEATURES OF THE LAWS OF CORPORATIONS.

The Legislature of 1901 revised the corporation laws of North Carolina and to-day we have one of the most satisfactory corporation codes in the Union; this fact is recognized by other States, the Secretary of State having frequent calls from many States for copies of this law which is highly commended for its liberality, its justice and comprehensiveness.

The purpose of this law is to properly regulate corporations, allowing them the largest liberty, but at the same time providing such safe-guards as the public welfare may require.

Under this law the organization taxes are the same as paid by corporations in the State of New Jersey, which State it is believed is not unfriendly to corporations.

## TAXATION OF CORPORATIONS.

A franchise tax on each and every corporation organized under the laws of this State or doing business in this State is paid in the county where the corporation has its principal office according to the following graduated scale:

On \$25,000 or less, \$5.00.

Over \$25,000 and not exceeding \$50,000, \$10.00.

Over \$50,000 and not exceeding \$100,000, \$25.00.

Over \$100,000 and not exceeding \$250,000, \$50.00.

Over \$250,000 and not exceeding \$500,000, \$100.00.

Over \$500,000 and not exceeding \$1,000,000, \$200.00.

Over \$1,000,000, \$500.00.

The companies themselves estimate and appraise their own capital stock at its cash value (due allowance being made for impairment of capital when necessary), and deduct therefrom the assessed value of all real and personal estate upon which the corporation pays tax, thereby preventing double taxation. The State tax on this excess is twenty-one cents for general purposes and four cents for pensions on the one hundred (\$100.00) dollars valuation, which is paid direct to the State Treasurer on this excess.

In addition, on this excess value, there is a tax of eighteen cents on the one hundred (\$100.00) dollars valuation for public schools, and also the county and municipal tax, which is paid in the county where the principal office of the company is located.

The report and appraisal required by the law to be made to the Auditor by corporations is kept by him as private. Public service corporations report to the Corporation Commission, and these reports are also kept as private. The Revisal of 1905 provides that, "The Corporation Commission, the Treasurer and the Auditor are forbidden to divulge or make public any report of a corporation required to be made to them or either of them by this section."

## TAXATION BY CITIES AND TOWNS.

No county, city or town has power to levy any franchise tax upon corporations.

All real and personal property of every corporation is taxed the same as the real and personal property of an individual and is assessed and tax levied in the county where such property is found.

## INDIVIDUALS NOT REQUIRED TO LIST STOCK IN CORPORATIONS.

In imposing the tax on corporations in section 5168 of the Revisal of 1905 are these words: "Individual stockholders in any corporation, joint stock association, limited partnership or company paying a tax on its capital stock shall not be required to pay any tax on said stock or list the same."

## STRIKING PROOF OF RESTORED CONFIDENCE AND OF PROGRESS.

The business men of the State recognize the liberality of our laws and know that the Democratic party will protect legitimate interests in the State without prejudice or favor. As a proof that confidence was restored with the restoration of the Democratic party to power, attention is called to the following comparison of the number of corporations chartered during the four years that the fusionists had control of the legislation of the State and the following four years under Democratic legislation:

January 1, 1895, to January 1, 1896.....	140
January 1, 1896, to January 1, 1897.....	145
January 1, 1897, to January 1, 1898.....	141
January 1, 1898, to January 1, 1899.....	164
	<hr/>
	590
January 1, 1899, to January 1, 1900.....	222
January 1, 1900, to January 1, 1901.....	306
January 1, 1901, to January 1, 1902.....	327
January 1, 1902, to January 1, 1903.....	414
	<hr/>
	1,269

## CORPORATIONS FORMED IN THE LAST THREE YEARS.

January 1, 1903, to January 1, 1904.....	553
January 1, 1904, to January 1, 1905.....	553
January 1, 1905, to January 1, 1906.....	710

January 1, 1903, to January 1, 1906..... 1,816

As showing the contrast in the development of the State under Republican rule and Democratic government we also present the cor-

poration record for the first three years of Russell's administration and the first three years of Aycock's administration. The fiscal year ends November 30th and official reports are made at that time.

Year Ending.	No. Chartered.	Capitalization.	Org. Tax as Near as Can be Ascertained.
November 30, 1897.....	147.....	\$2,644,350.....	\$3,675
November 30, 1898.....	156.....	3,350,000.....	3,900
November 30, 1899.....	207.....	6,948,730.....	5,175
	510	\$12,943,080	\$12,750

Reports for 1897, 1898 and 1899 do not show amounts with which business commenced.

Year Ending.	No. Chartered.	Capitalization.	Subscribed.	Organiza- tion Tax.
Nov. 30, 1901...	327....	\$ 26,526,650...	\$ 5,002,790...	\$ 4,970
Nov. 30, 1902...	395....	25,025,050...	3,946,467...	10,525
Nov. 30, 1903...	554....	48,790,150...	15,771,490...	17,695
	1,276	\$100,341,850	\$24,720,747	\$33,190

	No. Corpo- rations.	Capital Authorized.	Capital Subscribed.	Organiza- tion Tax.
First 3 years Russell...	510...	\$ 12,943,080..	\$.....	\$12,750
First 3 years Aycock, 1,276..	100,341,850..	24,720,747..		33,190

Russell, 3 years.....	510...	\$12,943,080.....		\$12,750
One year, ending Nov.				
30, 1903 .....	554...	48,790,150..	\$15,771,490..	17,695

#### CORPORATIONS ORGANIZED FOR THE TWO YEARS ENDING NOVEMBER 30, 1905.

Year Ending.	No. Chartered.	Capitalization.	Subscribed.	Organiza- tion Tax.
Nov. 30, 1904...	540....	\$27,163,700....	\$5,732,070....	\$14,444
Nov. 30, 1905...	697....	67,176,500....	6,680,595....	22,695
	1,237....	\$94,340,200....	\$12,412,665....	\$37,139

The above comparison speaks for itself.

This cannot be attributed to national political conditions, for the Republican party has been in control of the national government during this entire period.

#### DISSOLUTIONS.

It is but fair to say that the above lists include all corporation certificates filed, and that some of them are dissolutions. In the first three years of Governor Aycock's administration, above referred to,



forty-eight corporations were formally dissolved. Since that time the dissolutions have numbered:

For year ending November 30, 1904.....	36
For year ending November 30, 1905.....	53

Many of these had been out of business for several years.

Future reports will show a greater number of dissolutions, as there are many corporations in North Carolina which have discontinued business but have not legally dissolved. The Secretary of State is requiring these corporations to comply with the law and formally dissolve.

#### REQUIREMENTS OF FOREIGN CORPORATIONS DESIRING TO DO BUSINESS IN NORTH CAROLINA.

These foreign corporations pay the same franchise tax as domestic corporations (Sec. 5190, Revisal 1905), and also pay taxes upon their property situate in this State. (Sec. 5271, Revisal 1905). Every foreign corporation before doing business is required to become domesticated by a proper proceeding before the Secretary of State.

#### EQUAL AND EXACT JUSTICE TO ALL.

North Carolinians are a fair-minded people, and equal and exact justice to all and special privileges to none is the basic principle of the people's demands; this is the fundamental principle of the Democratic party; actuates its every purpose, and is the chief source of its strength.

We propose to tax corporations fairly and without discrimination. We ask them to bear their share of taxation and there is not a law upon our statute books that was conceived in a spirit of injustice to any special interest; if there should be, the State, through the Democratic party, stands ready to correct any such inequality. It is the duty of every corporation to contribute to the support of the government. There should be no discrimination, directly or indirectly, but each should bear its part of the burden of taxation, taxing by a uniform rule all moneys, credits, investments in bonds, stocks, joint stock companies or otherwise, and also, all real and personal property, according to its true value in money; this would give us a lower tax rate and all causes of complaint should disappear, as such just and equal taxation cannot meet with honest opposition. The Democratic party is the party of the Constitution and of the people; it upholds the Constitution and protects all the rights of all the people. "No man or set of men are entitled to exclusive or separate emoluments or privileges," and all men, all interests, all corporations in this State are entitled to justice and equality before the law.

## RECORD OF CORPORATION COMMISSION.

### ASSESSMENT AND TAXATION OF RAILROADS.

The Republican party is a party of favoritism and discrimination. It is always for the strong against the weak; for corporations against the individual.

The Democratic party, on the other hand, believes that every individual and industry should share alike in the burdens and benefits of our State government and its legislation.

The great contrast between them in this regard is shown nowhere more clearly than in their attitude upon the question of supervision and taxation of railroads. The Republican party not only did not make any attempt to tax those roads which had escaped taxation, but in passing legislation to assess railroads which never made any claim for exemptions, they provided that the railroad property of the State should be assessed by the local trustees of the township through which the roads ran. In this way only the visible, tangible property of the road was assessed, and that often by men entirely unfamiliar with railroad values.

Great irregularities and sometimes injustice followed such a system. One road might be assessed ten times as much in one township as some more valuable road in another township. The Democrats seeing the injustice of such a method of assessment, both to railroads and to the individual tax-payers, tried to give some relief by passing a law requiring the chairmen of the county commissioners of each county in a congressional district to meet and assess the railroads in the district. The Republican party opposed the measure, and when the law was tested the courts decided it to be in conflict with the Republican constitution then in force. The Democrats next passed a law making the Governor, the State Auditor and State Treasurer a board to assess railroads. In the meantime many leading Democrats began to advocate a railroad commission. This was solidly opposed by the Republicans in every Legislature where the question came up. Finally, in 1891 a railroad commission was established with power to assess railroads for taxation, to fix rates and hear complaints as to discrimination, overcharges, etc. It was a Democratic measure, adopted by a Democratic Legislature, and the party has cause to be proud of its establishment.

In 1890 the railroads of the State were only paying taxes on \$12,321,704 of property. The first year's assessment by the commission in 1891 resulted in an increase of 50 per cent. The actual figures are \$6,101,594.28, the assessment for that year being \$18,423,298.28.

In 1899 the Railroad Commission was changed to the Corporation Commission, with increased duties and in some respects larger powers.

The result of the policy of the Democratic party has been a constant increase in the growth of the values of railroad property in the State. Those roads that claimed exemption from taxes, and those that had been escaping at a mere nominal valuation, are now required to bear their part of the burden with every other tax-payer in the State.

DEMOCRATIC COMMISSION'S RECORD IN THE ASSESSMENT OF PROPERTY  
OF PUBLIC SERVICE CORPORATIONS.

The assessment of railroads and other public service corporations by the Commission has grown from \$33,619,869 in 1899, to over \$76,000,000 in 1905, a gain of more than \$43,000,000 of property, bringing a revenue in taxes to the State, counties, towns and special-tax districts of not less than \$430,000 on property not paying a cent under the Republican system of assessment.

This year's assessment will produce a revenue of more than \$760,000. The State alone will receive in taxes from this source \$327,017.35, or about one-sixth of the entire ad valorem taxes of the State.

A comparison of the assessment of railroad property for taxes by the Corporation Commission in this State with the assessments in other States shows that the valuation per mile for this purpose is higher in North Carolina than in most other States. The following table will show the assessed value per mile for taxes of the Southern Railway in North Carolina and six other States through which it runs, some of them in the South and some in the West, some Democratic and some Republican States:

State.	Valuation per mile for taxes.
North Carolina .....	\$20,269
Virginia .....	13,303
South Carolina .....	11,688
Tennessee .....	16,240
Kentucky .....	16,497
Indiana .....	15,048
Illinois .....	5,598

The following table will show the assessed value per mile for taxes of Atlantic Coast Line Railroad Company in North Carolina and five other Southern States through which it runs:

State.	Valuation per mile.
North Carolina .....	\$15,186.52
Virginia .....	19,892.46
South Carolina .....	10,086.98
Georgia .....	11,963.00
Florida .....	6,348.62
Alabama .....	11,427.11

It appears from this table that Virginia is the only State assessed higher per mile than North Carolina. This is in consequence of valuable terminals in Richmond and Norfolk and all trunk-line mileage. The net income from operation per mile in Virginia was \$4,686.09, while in North Carolina it was \$1,966.58 per mile.

In the assessment for taxes of the Seaboard Air Line about the same proportion of difference will be found between the assessment in this State and in other States through which those systems run as is shown between the assessment in this State and in the other States mentioned of the properties of the Southern Railway and Atlantic Coast Line Railway.

#### RECORD OF THE CORPORATION COMMISSION AS TO RATES.

Since its establishment in 1899 it has reduced ALL freight rates upon the following roads:

	Miles.	
North Carolina Midland Railroad.....	23	10 per cent.
Wilmington, Columbia & Augusta (Classes 1 to H)	63	20 per cent.
Atlantic and Yadkin .....	248	30 per cent.
Durham and Northern .....	41	20 per cent.
Raleigh and Augusta .....	107	15 per cent.
Carolina Central .....	266	30 per cent.
Roanoke and Tar River .....	32	20 per cent.
Georgia, Carolina and Northern .....	14	20 per cent.
Western North Carolina .....	30	10 per cent.
Murphy Branch .....	124	15 per cent.
Atlantic, Tennessee and Ohio .....	64	10 per cent.

Thus ALL freights have been reduced since 1901 on 1,012 miles of railroad in the State; 117 miles, 10 per cent.; 231 miles, 15 per cent.; 150 miles, 20 per cent.; and 514 miles, 30 per cent.

In addition to this horizontal reduction of all rates upon over 1,000 miles of railroad located in different parts of the State and representing sections of all three of the great systems which penetrate and dominate its transportation business, many commodity rates upon articles which constitute a large part of the total volume of our transportation business have been reduced. Among these are the following articles:

Fertilizers, cotton seed, cotton-seed hulls and meal, molasses, wood, logs, materials to be manufactured in wood-working plants, coal and coke, L. C. L.; wall plaster, scrap-iron, mixed carloads of hay, fodder, grain, etc., cotton and woolen machinery, dry-kiln trucks, chair stock, trees and shrubbery, flint and crushed shells, and many other commodities. Also returned shipments on all freights below first class were reduced one-half, and allowance of 500 pounds weight for



standards, strips and supports was ordered to be made for shippers of lumber.

The reduction of the minimum carload of fertilizers—a matter of great importance to the public—was contested in the courts by one of the railroads. They were compelled to keep an account of the difference in each shipment until the case was decided in the courts. The court sustained the Commission and the railroad company was compelled to pay back to the shippers the overcharges for a period of about a year. The amount was \$6,700. As the mileage of this road is less than one-fifth of the whole mileage in the State, it will be seen that this order alone saves to the people of the State at least \$30,000 per annum.

The rates fixed by the Commission upon many of the bulky articles above referred to, such as lumber, cotton factory products, raw cotton, fertilizer, etc., are much lower than the intrastate rates in most of the other States, and the general average of intrastate freight rates fixed by the Commission is as low in this State as in any State in the Union. Notwithstanding the reductions made by the Commission in these rates, freight revenues in North Carolina have continued to increase. The railroads have not been injured and the people have been benefited.

#### REDUCTION OF PASSENGER RATES.

Passenger rates also have been reduced on many of the railroads in the State from  $3\frac{1}{2}$  and 3 cents per mile to  $3\frac{1}{4}$  and  $2\frac{3}{4}$  cents per mile.

These reductions have not resulted in injury to the railroads, but have, on the other hand, greatly stimulated travel.

The volume of business as a general proposition largely determines the rate at which freight and passengers can be carried at a profit. For this reason our trunk lines, by reason of the greater volume of business, make a much larger profit upon their interstate than upon their intrastate business, and the trouble in part in North Carolina, as in most States, grows out of the fact that for business reasons it is and has been the policy of the great trunk lines to build up their interstate business at the expense of the intrastate business, resulting in a restriction of their intrastate business and a consequent increase in the rate at which it might be conducted with profit.

If the railroads would, upon their own initiative, by providing for it better facilities, etc., cultivate to a greater degree their intrastate business, or, if the State could by legislation force them to adopt such a policy, our people would be enabled with great benefit to themselves to more largely buy from and sell to each other, and the volume of intrastate traffic would be so materially increased as to warrant, without injury to the railroad, reduction in rates, which upon the

present basis of business might be too low, measured by the standard prescribed by the courts.

For these reasons, while intrastate are higher than interstate *rates*, the *profit* of the railroads upon their interstate business is much greater than that upon their intrastate business, and as, under the decisions of the courts, profit is made the basis upon which minimum rates must be fixed, it is manifest that the margin of possible reduction is greater in interstate than intrastate business.

Of course, our Commission has no jurisdiction or power over interstate rates. Neither can it control or change a rate, if any part of that rate, however little, represents cost of transportation outside of the State. The interstate Commerce Commission alone can regulate and control such rates.

In the year 1905 the gross and net earnings of the following railroad companies from operations in North Carolina were as follows:

#### INTER AND INTRASTATE EARNINGS COMBINED.

	Gross Earnings.	Net Earnings.
Southern Railway (owned lines).....	\$4,836,300	\$2,031,196
North Carolina .....	3,427,664	1,232,435
Atlanta and Charlotte Air Line.....	596,619	188,219
Atlantic Coast Line.....	5,777,121	2,216,056
Seaboard Air Line.....	3,988,087	1,816,909

These figures mingle together inter and intrastate business and earnings.

The following statement shows the earnings of the railroads there mentioned on their intrastate business in North Carolina:

#### INTRASTATE EARNINGS ONLY.

	Gross Earnings.	Net Earnings.
Southern Railway (owned lines).....	\$ 994,124	\$387,609
North Carolina .....	1,044,463	355,640
Atlanta and Charlotte Air Line.....	70,922	21,277
Atlantic Coast Line.....	2,306,208	884,662
Seaboard Air Line.....	1,085,776	494,680

A comparison of these statements will show that in North Carolina, as is the case in every other State, the railroads make a larger profit on their interstate than on their intrastate business, and furnishes the reasons as heretofore given which have probably led the trunk lines to develop even in States where they have, as in North Carolina, extensive branch lines, their interstate business to the neglect and sacrifice of their domestic business.

In these conditions the Commission and the Legislature can aid our shippers and our people in three ways. First: The Commission can greatly aid our people through the Interstate Commerce Commission, now that its powers have been enlarged, in presenting their grievances and securing better and fairer rates on their through business. Second: The Legislature and the Commission can inaugurate policies that will force the managers of our railroads to give greater consideration to and provide better facilities for domestic business, thereby increasing its volume. As said before, the profits of the railroad business depend largely upon its volume, and as under the Constitution and the decisions of the courts the legality of a commission-fixed rate must depend upon the profits of the railroad, the basis of possible reduction of the rates on this class of business would be correspondingly broadened and enlarged. Third: The Commission can make such further reductions as is possible under the limitations fixed in the decisions of the courts.

#### REDUCTION OF RATES.

In North Carolina as elsewhere our Commission has been confronted in reducing rates by three difficulties: First, the Federal courts, armed with power and ever ready to exercise it to restrain rates alleged by the railroads to be unremunerative; secondly, by the fact that they have no jurisdiction over a rate if any part of it, however small, is for transportation outside of the State; and thirdly, by reason of the fact that the small volume of intrastate traffic on many railroads in the State, owing to the policy of the railroads as above described, does not allow sufficient profits to justify a rate which seems fair to the shipper when compared with the lower rate at which interstate business is moved.

Notwithstanding these difficulties, our Corporation Commission has made, as before shown, substantial reductions in both freight and passenger rates, and the record shows that the general average of intrastate rates in North Carolina to-day are as low as those of any other State, except in Ohio, in which State a Democratic Legislature has recently adopted a lower passenger rate, and on two roads in the North. But notwithstanding these reductions, domestic rates are still too high in North Carolina, as they are too high in all the other States; and North Carolina, which has in the past taken the lead in so many reforms under the guidance of the Democratic party, has declared through that party for still further reduction in passenger as well as freight rates, and in its platform that party promises the people, through the joint action of the Legislature and the Commission, such additional reduction in these rates as may be made without injustice to the railroads and within the limits of the Federal Constitution.

The Democratic platform also declared for the enlargement of the powers of the Commission in those respects which experience has taught is necessary; against discriminations of railroads in favor of other towns and cities and against those in North Carolina; that the railroads through their agents shall desist from interference in the politics of the State, and against free passes.

The only utterance on this subject by the Republican State platform adopted in Greensboro on July 10, 1906, is in the following language:

"If Democratic testimony is to be taken, the present Corporation Commission exists chiefly for the purpose of drawing salaries. We pledge ourselves to make it efficient. At present it is the laughing-stock of well-informed people, but no less a burden upon the taxpayers."

Mark you, there is in this utterance no declaration of opinion as to whether freight or passenger rates in North Carolina are too low or too high; no expression whatever of any purpose on the part of that party with reference to the important features of this question, upon which the Democratic party expresses itself with such virility, directness, and force.

Is the Republican party in favor of reducing passenger rates? It does not say so in its platform. Is it opposed to issuing free passes? It does not say so. Is it opposed to the influence of public service corporations dominating politics? It does not say so. Its declaration is puerile, evasive, meaningless. It shows that that party, in view of the clear-cut declaration of the Democratic party, felt the necessity of saying something upon the subject, and it has said something meaning nothing, declaring for nothing, promising nothing, and committing it neither for nor against anything. It does not rise to the dignity of an evasion. It shows that that party would like to deceive the people, but stands in dread of the railroads, to whom it has ever in North Carolina been subservient.

The Republican party in North Carolina has always been opposed to a Railroad Commission. They opposed it when the Democrats proposed and passed it, as they had opposed it from the beginning of the agitation for railroad rate control. Would that party, if it had power, repeal the whole system and set the railroads free?

The demand that the railroads and public service corporations shall yield ready obedience to the law and serve the public with proper fidelity and for a fair remuneration is imperative, and the Democratic party, both in the State and in the Nation, has heeded that demand. The disposition of the Democratic party with respect to this matter is that laws should be passed and all men required to yield ready obedience to them, and that there should be the same law for the rich and strong as for the poor and weak.



Foreign corporations doing business in North Carolina are here by comity, and if they do not obey our laws they may be expelled from the State.

Domestic corporations are chartered for the purposes mentioned in their charters, and if they transcend the authority conferred upon them their charters can be revoked.

These principles are fundamental, and upon them the Democratic party bases its platform demand that they shall serve the people by whom they were created, or by whose comity they are allowed to do business here for a fair compensation, without discrimination against the interests of our people and without attempting to use the great powers they possess to influence or control the people in the exercise of their political functions. This is the Democratic position unequivocally declared in its platform. What, we again ask, is the Republican position on these great questions? Its platform does not declare it. It is silent.

#### DISCRIMINATIONS AGAINST NORTH CAROLINA CITIES AND TOWNS.

The discriminations by the railroads in favor of Norfolk, Richmond, Lynchburg, etc., against North Carolina points are not only grossly unjust, but they have greatly hampered development in this State.

Of course, these are questions which our State Corporation Commission cannot control; they involve interstate commerce. Action by the Interstate Commerce Commission is necessary to remedy this injustice. The powers of the Interstate Commerce Commission have been enlarged by recent legislation of Congress, and it is hoped that they are now adequate to afford relief against discriminations of this kind. Our State Corporation Commission can do much in helping the people to secure redress of their grievances by bringing them before the Interstate Commerce Commission and supplying evidence to that end and for that purpose.

In 1905 our Commission made an investigation of these charges of discrimination on goods moved through the State to Richmond, Norfolk, Lynchburg, etc., and they tried to secure better interstate rates, and did succeed in getting a slight reduction, but with the interstate commerce law as then constituted they were unable to secure anything like adequate relief.

The following figures, showing the discriminations against Greensboro, N. C., serve to illustrate the condition that prevails throughout the entire State upon almost all classes of merchandise.

From Evansville, Ind., through Greensboro to Lynchburg, Va., the freight charges on class one is 75½ cents. If this freight is stopped at Greensboro the charge is \$1.03.

From Lynchburg, Va., through Greensboro to Evansville, Ind., the freight charge is 67 cents per hundred, and from Greensboro to Evansville, a shorter distance, it is \$1.20.

The freight charges on goods in class one from Louisville, Ky., to Lynchburg, Va., via Greensboro, is 62 cents per hundred; but if the goods are shipped from Louisville to Greensboro, instead of to Lynchburg, the rate is 93 cents per hundred, or 31 cents more for the shorter distance than for the longer.

The charge on the same class of goods shipped from Lynchburg via Greensboro to Louisville is 54 cents, and from Greensboro to Louisville the rate is \$1.15, or more than twice as much for the shorter than for the longer haul.

From New York to Nashville, Tenn., by way of Greensboro, the freight charges per hundred on goods in class number six is 31 cents, and to Greensboro it is 32 cents.

The charges per hundred in class one from Louisville and Cincinnati via Greensboro to Danville, Va., is 68 cents, and from Louisville and Cincinnati to Greensboro it is 98 cents, or 30 cents more per hundred for the shorter than for the longer haul, over the same line of railroad and in the same direction.

The freight charges on coal from Bluefield, W. Va., to Greensboro, a distance of 360 miles, is \$2.30 per ton; from Bluefield, W. Va., to Chicago, a distance of 658 miles, the charge is \$2.05.

Many such instances can be given, but these sufficiently illustrate the practice.

It is hoped that the interstate commerce law enacted by Congress at its recent session will afford relief against such cases as these, and will enable the Interstate Commerce Commission to promptly relieve the people against the wrong which they now complain of against the railroads.

While that law was passed by a Republican Congress, it was in response to the demand first made by the Democratic party in its National platform and upon the initiative of the President, who clearly foresaw the growing popularity and the soundness and justice of the Democratic position upon this question.

As a relief measure this law will likely prove disappointing, because the Republican party, with the consent of the President, voted down all Democratic amendments which forbade the courts from suspending the orders of the Commission until final hearing, and against the protest and the almost solid vote of the Democrats, conferred upon the court the power to review all orders and regulations of the Commission affecting rates.

For a long time the President stood with the Democrats against an unlimited court review and against the suspension of the orders of the Commission pending litigation, but in this case, as in the matter of meat inspection, he yielded to the demands of the railroads, and

gave his sanction to the so-called Allison-Aldrich compromise, by which the efficiency and value of the legislation was greatly impaired and its enforcement handicapped.

#### SOMETHING OF THE PRACTICAL WORK OF THE COMMISSION.

The Commission is an industrious and hard-working department of our government. In addition to their duties in assessing railroads for taxation and fixing rates, the general work in the office has grown in volume and importance. The first year 140 complaints were filed. The number has steadily increased until now we find that from July, 1905, to July, 1906, 519 complaints were filed. More than 2,300 cases have been heard since 1899, and in most instances have been satisfactorily adjusted.

It is a remarkable fact that in not a single instance has a shipper ever appealed from a decision of the Corporation Commission. The railroads often do, but the people never have. What higher compliment could be paid them? What other tribunal ever heard two thousand three hundred cases and not a single case appealed by the people? Some of these cases were of great importance to the public, notably, the Selma Connection Case—an example of providing facilities for the traveling public;

The Hilton Lumber Company v. Atlantic Coast Line—an example of preventing discrimination in freight rates;

The Greensboro Ice and Coal Company—an example of the Commission's efforts to enforce the prompt delivery of freights on private sidings;

The Dennis Simmons Lumber Company—an example of furnishing facilities at stations;

The fertilizer-rate cases—an example of giving better rates to small shippers.

#### TAX-COMMISSION WORK OF THE COMMISSION.

No part of the services of the Corporation Commission has been more valuable to the State than their work as a Tax Commission. They have done much to equalize valuations and to see that as little property as possible escapes taxation. Until they began their work as a Tax Commission, National banks were escaping taxation. This matter was called to the attention of the Commission and a thorough investigation was made. The Commission discovered that the United States Supreme Court's opinion, under which the stockholders of National banks were deducting their liabilities from their stock, had been reversed by a later decision, and so instructed list-takers; thus putting the stockholders of State and National banks upon the same footing as to taxes, as well as adding a large amount of property to the tax books which had heretofore escaped taxation.



The Commission has also visited all the counties and has caused hundreds of thousands of dollars that were escaping all taxes to be put on the books.

When the Tax Commission began its work, the taxable property of the State was \$300,709,300; now it is \$461,520,667—an increase of more than 50 per cent.

The incomes then taxed amounted to \$926,144; last year they were \$2,774,488—an increase of more than 100 per cent.

These increases speak well both for the Commission and for the wise administration of affairs by the Democratic party.

The Tax Commission in 1903 recommended to the Legislature that the municipal poll-tax should be limited, and in response thereto a law was passed for the county of Mecklenburg, limiting poll tax for municipal purposes to \$2.00. Seeing that this was a reform likely to spread to other counties, the Republicans with their usual insincerity have declared for a \$3.00 poll tax limitation. This idea of limitation they have stolen from a Democratic Tax Commission, and it is one in which we know they are insincere, for they have never tried to lessen the burdens of taxation, when in power, but have usually stolen or squandered the public funds.

#### SUPERVISION OF BANKS BY THE COMMISSION.

Among the manifold and arduous duties of the Corporation is the supervision of banks. It is of the utmost importance that a high standard shall be maintained in this work. Upon the efficiency of the supervision depends the safety of the millions deposited by the public and the confidence of the banks themselves in each other.

The superiority of the supervision of banks in this State is generally recognized by the banking world.

Under their wise supervision banks in this State have grown nearly 400 per cent., as the following table will show:

#### STATEMENT SHOWING GROWTH OF BANKS AND INCREASE OF WEALTH IN THE STATE UNDER DEMOCRATIC GOVERNMENT.

	No. of Banks.	Capital.	Deposits.	Resources.
June 30, 1899...	66	\$2,370,297.80	\$7,479,514.28	\$11,275,490.72
June 30, 1900...	91	2,651,187.62	8,936,034.74	13,944,550.66
July 15, 1901...	110	2,939,288.30	10,583,568.94	16,501,368.04
July 16, 1902...	118	3,306,408.08	12,693,560.51	18,790,224.44
Nov. 17, 1903...	156	4,457,533.39	17,863,682.53	26,168,282.29
Sept. 6, 1904...	183	4,938,197.18	19,779,923.26	29,842,442.92
Nov. 9, 1905...	227	5,656,815.11	29,614,316.55	41,095,539.92
April 6, 1906...	244	6,056,800.86	30,997,563.71	43,380,000.52

These 244 banks are required to make reports to the Commission five times a year. The examiner also makes at least one report on the



condition of each bank. This makes a total of nearly 1,500 reports sent to the Commission every year from the banks alone—an average of about three reports per day.

In addition to this are the 519 complaints to be passed upon, the fifty railroads, seven bridge and canal companies, twelve steamboat companies, twenty-five electric light and gas companies, eleven refrigerator companies, sixty-seven telephone companies, nine street railway companies, ten water-works companies, one express company, one Pullman company, and three telegraph companies, to be assessed for taxes, besides the work to be done as a Tax Commission and the heavy correspondence to be attended to. Eighteen thousand five hundred letters went out of the office last year and more than a million words of testimony were taken in the hearings before the Commission.

These facts show that the Corporation Commission is a very busy department, and the splendid work they are doing and magnificent record they have made reflects credit on the party which put them in office.

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## INSURANCE DEPARTMENT.

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We continue to hear good reports from this department of our State government and its work. Prior to 1899 the supervision of insurance companies was in the hands of the Secretary of State, who received certain fees and was allowed \$1,000.00 for clerical help. The Democratic Legislature of 1899 formed the Insurance Department and placed the present Commissioner in charge of it.

As revenue producers the law and Department are a success, and while the benefits accruing from a proper supervision of insurance companies in the State cannot be measured in dollars and cents, they are, in the opinion of those in a position to know, of much more value to the State and her citizens than the revenue collected.

### FINANCES OF DEPARTMENT.

Under the law it is made the duty of the Commissioner to collect all licenses, taxes and fees due the State by any company or association under the supervision of his Department.

The amount collected by the Secretary of State, Cyrus Thompson, and paid into the State Treasury, was \$84,879.28, in 1898; and this was the largest amount ever reported for any one year under the Russell administration.

The amounts collected since, under Democratic control, by the Insurance Commissioner and paid into the State Treasury were:

For year 1899.....	\$ 92,865.21
For year 1900.....	91,077.92
For year 1901.....	132,034.03
For year 1902.....	153,667.12
For year 1903.....	174,633.60
For year 1904.....	197,402.28
For year 1905.....	205,124.07

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Total .....\$1,046,804.23

The above figures do not include the special amounts collected of insurance companies for the publication of their statements and the investigation of fires. These are special funds, and are collected and must be used only for the special objects named. The investigation of incendiary fires in the State is paid out of a fund collected of the fire insurance companies, and does not cost the State one cent.

#### SAVING IN SALARIES.

Much is often said about the creation of new offices and the burden of the salaries of additional officers, and it is well for the people to know how this new department has worked in this respect.

The Commissioner is paid a salary of \$2,000 per annum and allowed \$1,600 for clerical help, which can only be used for this purpose, making the cost of the new Department \$3,600 per annum. During the five years of the Department the Commissioner has collected and paid to the State Treasurer of the class of fees formerly allowed the Secretary of State for his services in this behalf, as follows:

For the year 1899.....	\$ 9,184.00
For the year 1900.....	5,731.50
For the year 1901.....	10,732.50
For the year 1902.....	11,168.50
For the year 1903.....	13,240.00
For the year 1904.....	16,476.50
For the year 1905.....	16,750.50

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Total .....\$83,283.50

Thus it will be seen that, taking off the salary allowed the Commissioner for the five years, there is left a balance of \$62,283.50 saved to the State out of the class of fees formerly allowed the Secretary of State as his salary for looking after insurance companies.

The amount now collected and paid into the State Treasury of this class of fees amounts annually to over two and a half times the whole cost of the Department.

#### HOME COMPANIES.

One great benefit that has accrued from our insurance laws and the work of the Department has been the organization of home insurance companies and the placing of considerable insurance in them, thus keeping at home much of our money spent for insurance.

In 1899 there were only six home fire companies doing business in the State. They wrote only 10 per cent. of the risks and received \$123,471.26, or 12 per cent. of the premiums, while in 1905 there were seventeen home companies, which wrote \$29,510,608.70—seventeen per cent.—of the fire risks, and received therefor \$491,570.80, or 20 per cent. of the amount paid in the State for fire insurance.

In 1899 there was only one home life insurance company (and that an assessment one) doing business in North Carolina, with \$479.35 in assets. In 1905 there were twelve home life companies, which report in assets \$856,102.69. The reports of the North Carolina home life companies show as their receipts during 1905, \$440,017.87, and at risk at the end of the year in insurance \$10,538,104.00.

It is worthy of note that while there have been startling disclosures as to contributions by life insurance companies to the Republican campaign funds, and other graft and frauds in other States, there has not existed, nor does there exist now, any graft or fraud by the home insurance companies. The insurance conditions in our State are very gratifying, and under Democratic rule promise much in the future in aiding the industrial progress and upbuilding of our grand old State.

#### BUILDING AND LOAN ASSOCIATIONS.

The last Legislature placed all building and loan associations under the supervision of the Insurance Commissioner. There were then forty-three associations doing business in the State. There are now sixty-seven associations working in the State, and no class of corporations are doing more in building up our cities and towns and providing homes for our citizens, especially the working classes. The ownership of homes is very conducive to good citizenship and progress. At the close of business in 1905 fifty-one associations report in assets \$3,512,185.00, and as loaned out to build or pay for homes, \$3,496,783.71.

#### WORK OF THE DEPARTMENT.

It may be well to note here the work of this new Department and what duties the Insurance Commissioner is charged with.

1. The Insurance Commissioner represents the State in all its

dealings with insurance companies, associations and orders. He must pass upon applications of companies under his Department and decide whether to license them, and then supervise them and see that they comply with the law and treat the citizens of the State right or revoke their licenses to do business in the State.

2. He must collect all licenses and taxes due the State by companies and associations under his Department.

3. He must collect reports of all fires in the State and investigate all suspicious ones and have all persons suspected of incendiarism prosecuted where the evidence justifies it. Seventy-nine persons have been convicted under this law since it was passed and served their sentences in prisons.

4. He must see that the laws regulating the erection and inspection of buildings are observed. Better buildings mean fewer fires and lower insurance rates; \$75,000.00 annually is now saved in rates by this law.

5. He must look into all violations of the insurance law and hear all complaints made by the citizens of the State against companies under his supervision and see that the citizen is protected in his rights.

6. He must keep all State property insured as provided by law, and annually inspect all State institutions and buildings, with a view to the protection from fire of them and their inmates.

Since the formation of this Department in 1899, and the adoption of our present insurance laws, there has been a gradual but decided improvement in the insurance conditions of the State. Better practices prevail. Contracts have been improved and rates reduced, and will no doubt be still further reduced under our present insurance laws and their strict enforcement.

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## AGRICULTURAL DEPARTMENT.

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The Department of Agriculture was established by the Democratic party in 1877. Its duties and powers have from time to time been enlarged since then, but the development has come through Democratic legislation and administration.

During the past seven years, that is, since the State Agricultural Department again came under the control of the Democratic party, there has been unparalleled advancement, and now this department is more nearly fulfilling every purpose of its original creation than ever before in the history of twenty-nine years. Not content with



widely developing the original plan, it has found and pursued new and useful lines of work, and the people of the State, especially the farming interests, are reaping constant benefits.

The present Commissioner has, under the direction and control of the Board of Agriculture, which is now composed entirely of farmers, established a veterinary division, which is in charge of an accomplished veterinarian, whose duty it is to promote greater interest in animal husbandry and to give advice and aid in cases of sickness or epidemic, and to seek in every possible way to give information to the farmers concerning the feeding, fattening and proper care of farm stock of all kinds. Feeding experiments have been conducted on the Test Farms of the Department, with cattle brought from across the mountains to determine the possibility of feeding profitably the products grown on the farm. The results have been published in the Bulletin of the Department. Among other noteworthy things accomplished by this branch of the Department is the elimination of the cattle tick, which causes the dreaded Texas fever among cattle, from more than twenty counties heretofore troubled by this pest. The Department has largely developed methods and demonstrated the possibility of the destruction of the tick, and has eradicated it from a larger area of its territory than any other infested State. The free territory now extends as far east as Salisbury, which has removed the handicap to the shipment and sale of cattle from most of the territory west of that point, to points outside of the State and to the great cattle markets of the country. The Department did a full share in inducing Congress, at its recent session, to recognize the importance of the destruction of the tick, and in making an appropriation of \$60,000 for co-operation with the States in this work, the efforts of Hon. F. M. Simmons, of the Committee on Agriculture in the Senate, being especially effective in bringing this about.

A division of entomology has been established under a competent specialist who keeps the public informed by thousands of circulars and letters and personal visits to different parts of the State on missions of investigation and instruction of the harmful crop and fruit insects and bugs and the best remedies known for their prevention and destruction. The entomologist makes inspection of the nurseries of the State and prohibits the sale of infested nursery stock to our own citizens or shipment without the State, together with the shipment to the State of infested stock, with a view of preventing the distribution of harmful insect pests in our orchards. He also gives much time to the eradication of destructive diseases to orchard and truck crops where they once get a foothold.

The division of horticulture, created two years ago, is under control of a very able specialist, who is doing much to aid our truckers and fruit-growers in developing better methods of fertilizing, culti-

vating and marketing truck and orchard crops, together with the introduction of better varieties of crops now grown, as well as new crops, where conditions are favorable.

A division of botany and biology has also been added by the Democrats, and is doing a great work in the identification of plants and the giving of information regarding them, and the biological analysis of both mineral and the ordinary drinking-water from wells and springs.

The chemical laboratory continues its useful work of analyzing the thousands of brands of fertilizers sold in the State, this being naturally the leading division of all under the control of the Department. In the creation of the Department this division covered practically all the work done by it, but its lines of effort have also been greatly enlarged. Under an act of the Legislature of 1901, all cotton-seed meal sold in the State is required to be inspected and analyzed, in order to prevent the practice of fraud. The last Legislature enacted a law requiring all feed-stuffs for cattle made in this State, or brought into it from other States, to be also inspected and analyzed, in order to prevent adulteration, which was becoming very dangerous and destructive to animal life. Outrageous frauds have been detected and the dangers from this source greatly minimized, though constant watchfulness is necessary.

Under Democratic legislation much good has been accomplished and the dangers to health greatly minimized by the careful analysis by the Department of samples of human foods and drinks offered for sale. Adulterations of these products are being rapidly stamped out.

Another line of resultful work entered upon by the Department under Democratic auspices is the establishment of Test Farms in various sections of the State. Farms are now in operation in Edgecombe, Pender, Iredell and Transylvania Counties. On these farms are conducted tests of fertilizers of various composition and in different amounts, varieties of the different crops grown, methods of cultivation and handling the crops, and the introduction of new crops which seem promising.

In co-operation with the Bureau of Soils of the National Department of Agriculture, soil maps have been prepared of seventeen counties in the State. This work has been enlarged during the present year.

The mass of invaluable information gathered in these investigations, experiments and studies is given to the farmers of the State from time to time in the monthly bulletin, which each month in the year goes to not less than 30,000 persons throughout the length and breadth of the State, the number having grown from 6,000 eight years ago to about 32,000 at present.

The State Museum continues its growth and increases in value constantly. It is the State's great object-lesson, not only to its own people, but to outsiders.

Thus it will be seen that this Department, created and developed by the Democratic party, is leading the North Carolina farmer to the best lines of thought, of effort, and of bringing about the success so sure to follow the combination of skilled work and industry; in developing the greater love for the farm, and in dignifying that noblest of employments, the tilling of the soil.

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## THE HOSPITALS FOR THE INSANE.

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Notwithstanding the fact that the Democrats have heretofore erected in this State three great asylums for the insane—one at Morganton and one at Raleigh for the white insane, and one at Goldsboro for the colored insane—and notwithstanding the fact that they have in recent years extended and enlarged the accommodations of these hospitals, they have been found to be inadequate to afford accommodation for all of this class of our unfortunates.

To meet these conditions the present State administration, by authority of the Legislature, has caused about one hundred rooms to be added to the asylum at Raleigh and one hundred to the asylum at Goldsboro. If it is found that additional accommodations are necessary to the end that every insane person in the State may receive from it that care and protection which it owes to them, the necessary legislation for that purpose will be enacted by the Legislature when it meets in January next. Both the Democratic platform and the overwhelming Democratic sentiment of the State demand that this shall be done without regard to expense.

During the present year there was some criticism of the management of these hospitals. In order that the facts might be known, and if there was anything wrong that it might be remedied, Governor Glenn made a full and thorough investigation of the management of these asylums and of the charges out of which these criticisms grew, and on February 14th, in a signed letter addressed to the people, declared these charges and criticisms unfounded.

In this letter, which is too lengthy for publication here, but a copy of which can be had by any one who wishes it, the Governor declared that he found these hospitals in first-class condition—clean and well kept; the patients given plenty of good, wholesome food, with clothing suitable for their comfort and requirements; that they seemed as happy and content as could be expected, and that they had all of their necessary wants supplied.

He also said that during 1905 1,643 patients were received in the asylums at Raleigh and Morganton, and of this number only four could pay for admission elsewhere, and forty-five others could partially pay for treatment, leaving 1,594 absolutely indigent. He denounces as unkind and unjust the charges that those who are rich or influential or who had a pull were taken in these asylums in preference to those who are poor and friendless.

## FINANCIAL SUMMARY OF AYCOCK AND RUSSELL ADMINISTRATIONS.

### SCHOOLS.

During the first three years of the Aycock administration there was paid directly from the State Treasury for the common schools.....	\$487,224.30
Paid out of the State Treasury during the first three years of Russell's administration to the common schools .....	28,214.83
Amount paid for common schools by Aycock administration in excess of that of Russell's administration, during the last three years.....	459,009.47
Increase in number of white children in daily attendance in 1903 as compared with 1897.....	83,000
Amount loaned to counties to build school-houses during Aycock administration, to be repaid for this purpose in ten instalments.....	108,881.00
Number of school-houses built during three years of the Aycock administration, ending June 30, 1904..	1,076
Increase in length of school term during four years of Democratic administration .....	10 1-10 weeks.

### UNIVERSITY.

Number of students matriculated at the University during four years of Aycock administration exceeded those matriculated during Russell administration.	402
Aycock administration expended for buildings, equipment and maintenance.....	\$120,000.00
Russell administration expended for same purpose...	81,250.00
Difference .....	38,750.00



In addition to large increase in attendance during the Aycock administration extensive repairs and improvements in the buildings and the installation of new equipments and utilities, such as water-works, etc., were made at the University.

#### NORMAL AND INDUSTRIAL COLLEGE.

Aycock administration spent during three years....	\$127,000.00
Russell administration spent for same purposes in three years .....	80,000.00
Difference .....	47,000.00
Number of students matriculated at Normal and Industrial College during Aycock administration in excess of those matriculated during Russell administration .....	136

The increase in matriculation was limited by the capacity of the dormitories.

In addition to the increase in the number of students in attendance under the Aycock administration there were extensive improvements in repairs and equipment.

#### COLLEGE OF AGRICULTURE AND MECHANIC ARTS.

Aycock administration expended for maintenance, improvements, etc., for this institution during four years .....	\$129,306.00
Russell administration spent for same purposes in four years .....	35,000.00
Difference .....	94,360.00
Number of students matriculated at this college during four years of Aycock's administration exceeded those matriculated during four years of Russell administration .....	640

In addition to this increase in the number of students large sums were expended for improvements, equipment, new buildings, etc., due to loss by fire of old buildings.

Total amount spent by Aycock administration for education directly out of State Treasury during the periods above mentioned in excess of amounts spent by the Russell administration during similar periods	\$724,731.47
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#### CARE OF INSANE, DEAF, DUMB AND BLIND.

Amount expended by Aycock administration in excess of Russell administration for maintenance of insane, new buildings, improvements, repairs, equipment, etc. ....	\$292,317.00
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## CONFEDERATE SOLDIERS.

Amount spent by Aycock administration for Confederate soldiers during first three years in excess of amount spent by Russell administration for the same purpose during three years.....	\$176,780.75
Amount expended on account of Soldiers' Home during first three years of Aycock administration in excess of amount spent during first three years of Russell's administration .....	14,400.00
Difference in amount spent for soldiers and Soldiers' Home by the two administrations.....	191,180.75

### EXPENDITURES OF AYCOCK'S ADMINISTRATION IN 1903 COMPARED WITH RUSSELL'S ADMINISTRATION IN 1900.

Amount paid out of the treasury in 1903 for public schools .....	\$200,000.00
Amount paid out of the treasury in 1900, the last year of Russell's administration, for public schools.....	Nothing.
Amount paid out of the treasury for pensions to Confederate soldiers in 1903 in excess of amount paid for like purpose in 1900, last year of Russell's administration .....	100,000.00
Amount appropriated for maintenance of insane hospital at Morganton in 1903 in excess of 1900.....	35,000.00
Amount appropriated for maintenance of deaf and dumb school at Morganton in 1903 in excess of 1900 .....	5,000.00
Amount appropriated for maintenance of deaf, dumb and blind institutions at Raleigh in 1903 in excess of 1900 .....	10,000.00
Amount appropriated for maintenance of University in 1903 in excess of 1900.....	12,500.00
Amount appropriated for maintenance of insane hospital at Goldsboro in 1903 in excess of 1900.....	18,000.00
Amount appropriated in 1903 for dangerous insane, which were not provided for at all under Russell's administration .....	6,000.00
Amount appropriated for maintenance of Soldiers' Home in 1903 in excess of 1900.....	3,000.00

Amount appropriated for Normal and Industrial College in 1903 in excess of 1900.....	15,000.00
Amount appropriated for insane hospital at Raleigh in 1903 in excess of 1900.....	16,500.00
Amount paid out of treasury in 1903 for repairs and new buildings State colleges and asylums in excess of that paid out in 1900.....	91,186.00
This sum includes something over \$68,000 for replacing burned buildings at the A. & M. College.	
Amount paid in 1903 on loan of 1902, made necessary by unsettled contracts and mismanagement of Russell's administration.....	200,000.00
Amount disbursed in 1903 on account of educational fund .....	120,999.83
(Of this amount, \$81,000 was loaned to counties and districts for building school-houses.)	
Amount disbursed in 1900 on account of educational fund .....	1,628.06
Amount disbursed for educational fund in 1903 in excess of 1900.....	119,371.77
Total amount appropriated for schools and asylums in 1903 in excess of amount appropriated during last year of Russell's administration for same purpose and amount disbursed in payment of loan made necessary by unsettled contracts and mismanagement by Russell's administration .....	831,557.77
Total disbursed in 1903.....	2,322,404.24
Total disbursed in 1900, last year of Russell's administration .....	1,648,012.74

Thus it will be seen that, eliminating the \$631,577.77 disbursed by the Aycock administration in 1903 for schools and hospitals, and for new school and hospital buildings, and repairs and equipment, in excess of the amount paid during the last year of Russell's administration for the same purposes, and the \$200,000.00 paid in 1903 in settlement of loan made necessary by the Russell administration, the disbursements of the Aycock administration in 1903 were \$157,166.67 less than those of the Russell administration in 1900.

The disbursements in 1900, the last year of Russell's administration, were more than three times as great as the total disbursements of 1880, the last year of the Vance-Jarvis administration, and Russell spent during the last year of his administration for schools, asylums and pensions to Confederate soldiers \$631,557.77 less than the Democrats spent in 1903 for the same purposes.

## GLENN ADMINISTRATION.

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The financial record of the present Democratic administration is fully set forth and discussed elsewhere in this book. That with reference to education in the article entitled "Educational Awakening"; that with reference to general State receipts and expenditures in the abstract from the Auditor's office, and that with reference to other objects of expenditure in the articles which will be elsewhere found in this book upon the appropriate subject. It is a record which will excite pride in the breast of every patriotic North Carolinian.

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## INCREASED PENSIONS FOR CONFEDERATE SOLDIERS.

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Not a penny has ever been appropriated to the old soldiers of North Carolina except by authority of Democratic legislation.

In 1885 the first pension law was passed by the Democratic Legislature, appropriating \$30,000 for certain classes of disabled Confederate soldiers, and that law has been amended by Democratic Legislatures until to-day the appropriation amounts to \$275,000 annually, of this amount \$75,000 increase being appropriated by the Legislature of 1905, and from 1885 until now the Confederate pensioners have received \$2,336,481.

For the totally blind and totally disabled Confederate soldiers the Democratic Legislature passed a law allowing them \$120 a year. That class received last year \$12,280, and they have received in all \$136,655.00.

The Soldiers' Home was organized by the Democratic Legislature of 1891, and there was expended that year \$2,250. That has gradually increased from year to year until this year the appropriation amounts to \$18,000. There has been paid to the Soldiers' Home since its organization \$179,400.

In the light of these facts we can not understand why the Republican platform should persist in stating that the Republican party favors liberal pensions to the Confederate soldiers. It is true that there is a certain class of Confederate soldiers to whom the Republican leaders and their party have been very liberal in giving pensions, but it is to those Confederate soldiers who, in the time of their country's need, deserted the Confederate army and its cause and entered the Union army. They are now permitted to draw pensions under Federal authority, and it is a little peculiar that this legislation was



mainly promoted by a late Republican Senator from this State. The fact is the Republican party in North Carolina cares nothing for the Confederate soldier, because the Republican party in this State was organized upon what was known as the Union sentiment, and for that reason the Republican party has been strongest in those sections of the State where there were a great many Union soldiers.

## THE STATE'S PRISON—A GREAT SHOWING.

### THE D. L. RUSSELL ADMINISTRATION.

*January 1, 1897, to January 1, 1901.*

Receipts .....	\$527,932.16
Appropriations .....	227,616.60
	<hr/>
Average receipts per month .....	755,548.70
Disbursements .....	15,740.59
Average per month .....	781,712.40
	<hr/>
Average per month .....	16,978.64

This includes \$33,262.69 paid during the Aycock administration for debts contracted by the Russell administration.

### THE C. B. AYCOCK ADMINISTRATION.

*January 1, 1901, to January 1, 1905.*

Receipts .....	\$626,456.91
No appropriations.	
Average receipts per month .....	13,051.18
Disbursements .....	459,530.66
Average per month .....	9,573.55
No liabilities.	
Assets—January 1, 1905.....	155,137.54

### THE R. B. GLENN ADMINISTRATION.

*January 1, 1905, to January 1, 1906*

Receipts .....	\$170,927.17
Average per month .....	14,243.89
Disbursements .....	120,510.04
Average per month .....	10,042.50
Assets—January 1, 1906 .....	209,484.95
Liabilities—none.	

# RECEIPTS AND DISBURSEMENTS OF THE STATE FROM 1868 TO 1905.

[STATEMENT FROM AUDITOR'S REPORT.]

Year.	Public Fund.		Educational Fund.		Total Receipts.	Total Disbursements.
	Receipts.	Disbursements.	Receipts.	Disbursements.		
1868	\$ 1,925,564.89	\$ 2,019,989.41	\$ 21,564.64	\$ 35,866.01	\$ 1,947,129.62	\$ 2,055,755.42
*1869	8,550,877.62	8,687,423.97	169,870.42	167,158.18	8,720,848.04	8,854,582.15
1870	3,557,867.43	4,454,214.10	333,973.76	203,411.01	3,891,741.24	3,657,625.11
1871	558,147.38	645,579.79	229,990.79	177,494.94	788,138.17	823,077.91
1872	654,476.21	628,532.70	46,000.81	173,275.92	700,477.02	801,805.62
1873	481,224.91	524,168.47	41,705.01	83,007.18	522,999.92	607,175.65
1874	667,114.49	448,839.68	44,383.21	56,260.94	711,498.70	504,869.62
1875	508,317.67	551,816.78	43,677.08	37,959.97	551,994.75	589,776.75
1876	524,039.17	528,065.22	42,235.59	54,702.93	566,274.76	582,758.15
1877	533,635.55	613,264.59	33,783.57	24,433.10	567,419.12	687,697.69
1878	534,322.04	534,187.07	12,592.39	4,915.03	545,914.43	539,102.10
1879	553,339.96	577,658.41	5,269.65	4,074.90	558,069.60	581,733.31
1880	546,796.04	492,720.39	6,236.47	4,000.00	553,029.51	496,720.33
1881	645,743.05	625,616.59	114,501.31	50,651.25	760,244.36	676,067.87
1882	755,881.44	629,112.37	12,712.05	66,125.00	768,593.49	685,337.87
1883	965,107.08	944,343.76	29,879.30	135.00	994,986.38	944,478.78
1884	1,436,775.66	785,641.78	35,200.33	76,228.65	1,471,975.99	861,870.43
1885	378,957.62	795,486.26	7,176.54	5,195.14	386,134.16	800,681.40
1886	835,421.03	1,112,652.31	7,626.25	7,365.85	843,047.23	1,180,017.16
1887	847,864.36	886,334.02	6,920.48	5,524.21	854,784.84	891,858.23
1888	710,384.39	820,025.39	11,403.01	5,582.86	721,787.40	825,608.25
1889	976,837.77	1,012,938.43	12,265.56	34,183.43	989,153.33	1,047,121.86
1890	1,180,369.64	1,056,572.54	23,757.92	5,945.58	1,204,127.56	1,062,518.00
1891	1,182,093.95	1,147,604.12	21,589.63	32,190.66	1,203,683.58	1,179,794.78
1892	1,209,662.86	1,054,798.61	15,500.24	3,134.99	1,225,163.10	1,057,993.60
1893	1,212,161.53	1,293,214.99	31,087.19	26,433.11	1,243,248.72	1,319,648.10
1894	1,214,285.08	1,148,873.34	19,076.00	46,746.91	1,233,361.08	1,195,620.25
1895	1,125,518.58	1,337,752.32	41,659.65	11,583.33	1,167,178.23	1,343,335.65
1896	1,259,458.40	1,244,917.57	1,555.35	1,648.70	1,261,013.75	1,246,566.27
1897	1,292,547.67	1,303,904.11	23,043.89	60,144.18	1,315,591.56	1,364,048.20
1898	1,334,082.24	1,283,971.11	8,565.61	3,670.07	1,342,647.85	1,287,641.18
1899	1,545,717.69	1,594,765.76	10,558.34	2,300.32	1,556,276.03	1,597,066.08
1900	1,618,103.91	1,646,384.68	11,694.00	1,628.06	1,629,797.91	1,648,012.74
1901	1,602,676.48	1,680,185.66	17,620.10	5,315.55	1,620,296.58	1,685,501.21
1902	1,907,958.68	1,864,004.65	16,175.66	2,790.53	1,924,134.34	1,866,795.18
†1903	2,269,638.86	2,201,604.31	101,997.74	120,799.83	2,371,636.60	2,322,404.24
1904	2,115,849.01	1,896,603.90	33,766.57	56,549.85	2,149,615.58	2,253,154.76
1905	2,446,724.72	2,503,693.88	63,171.53	59,324.92	2,509,896.30	2,563,018.80

\* Much the larger portion of the receipts and disbursements for 1869 are on account of subscriptions to railroad companies, etc., where no money actually passed.

† \$300,000.00 of the sum disbursed in 1903 was to pay a like sum borrowed in 1902 to meet appropriations made necessary by unsettled contracts and mismanagement of Russell's administration.

## STATEMENT SHOWING RATE OF TAXATION FROM 1874 TO 1906.

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For 1874, 31 2-3 cents on every \$100 worth of property.  
 For 1875, 29 2-3 cents on every \$100 worth of property.  
 For 1876, 29 2-3 cents on every \$100 worth of property.  
 For 1877, 29 2-3 cents on every \$100 worth of property.  
 For 1878, 29 2-3 cents on every \$100 worth of property.  
 For 1879, 24 cents on every \$100 worth of property.  
 For 1880, 24 cents on every \$100 worth of property.  
 For 1881, 28 cents on every \$100 worth of property.  
 For 1882, 28 cents on every \$100 worth of property.  
 For 1883, 25 cents on every \$100 worth of property.  
 For 1884, 00 cents on every \$100 worth of property.  
 For 1885, 25 cents on every \$100 worth of property.  
 For 1886, 25 cents on every \$100 worth of property.  
 For 1887, 20 cents on every \$100 worth of property.  
 For 1888, 20 cents on every \$100 worth of property.  
 From 1889 to 1893 the rate was 25 cents.  
 For 1893, 22 cents on every \$100 worth of property.  
 For 1894, 22 cents on every \$100 worth of property.  
 For 1895, 21 2-3 cents on every \$100 worth of property.  
 From 1895 to 1901 the rate was 21 2-3 cents.  
 For 1901, 21 cents on every \$100 worth of property.  
 For 1902, 21 cents on every \$100 worth of property.  
 For 1903, 21 cents on every \$100 worth of property.  
 For 1904, 21 cents on every \$100 worth of property.  
 For 1905, 21 cents on every \$100 worth of property.  
 For 1906, 21 cents on every \$100 worth of property.

### SOME PERTINENT COMMENTS.

The foregoing tables will furnish the basis of many striking arguments, showing the benefit to the State of Democratic rule. Attention is called in the first place to the great decrease in the expenses of the State government when the Democrats came into power in 1871. It will be noticed that during the year 1895, under the fusionists, disbursements exceeded the receipts about \$154,000. It will also be noticed under the Democratic party the rate of taxation has gradually decreased, starting in 1874 at 31 2-3 cents on the \$100 worth of property, dropping to 21 cents in the year 1902. It is a fact well known that during the period of Republican rule from 1868 to 1870, although enormous sums of money were collected from the people in the form of taxes, nothing was done towards building school-houses, teaching

schools or providing necessary buildings for the unfortunate insane, blind, deaf and dumb or penal class. The great buildings at the penitentiary, the magnificent asylums for the insane and the deaf and dumb at Morganton, the asylum for the insane at Goldsboro, the governor's mansion, the buildings of the A. & M. College at Raleigh, the agricultural building, the supreme court building and the Normal College building at Greensboro were all constructed under Democratic administration without any increase in the rate of taxation, but while the rate of taxation was being gradually decreased.

In 1882, the rate of taxation for all State purposes, including all the State's institutions, save pensions and schools, was 28 cents on each \$100 of value of property. On all the property of the citizens the rate levied was 28 cents on each \$100 value thereof. For schools there was levied a special tax of 8 1-3 cents on each \$100 of value in addition to the above.

Since 1900 up to the present time the rate of taxation for all State purposes, including State institutions and \$200,000 as a supplement school fund, is only 21 cents on each \$100 of value of property.

Here is a reduction of the property tax of the farmers and all other citizens of 7 cents on each \$100 of value of their property, effected by the Democrats.

Again, in 1882, the total revenues collected by the State FOR ALL PURPOSES, including schools, interest on public debt, etc., was \$773,978.60. Of this amount, the "property tax"—that which the farmer as well as the town citizen paid on the value of all his property, was \$472,738.34, or SIXTY-ONE PER CENT. OF THE WHOLE.

In 1901 the total revenues collected by the State from all sources and for all purposes amounted to \$1,602,676.48, of which "property tax," INCLUDING PENSIONS, amounted to \$776,945.30 or FORTY-SIX PER CENT. OF THE WHOLE.

Thus it will be seen that while expenditures have increased the per cent. of tax collected on account of "property tax" has decreased between 1883 and 1901, 15 per cent.

Here is a reduction IN THE RATE of taxation on property, effected by Democratic management, of 7 cents on each \$100 of value, and a reduction of the proportion of taxes paid on property—as distinguished from corporations and privileges or franchises, from 61 per cent. to 46 per cent.

The school tax in 1882 was 8 1-3 cents on each \$100 of value. The Democrats increased this to 18 cents, and, without increasing the property tax otherwise one mill, an appropriation is made from revenue arising from other sources, corporations and the like, of an amount sufficient to make the pension fund \$200,000 per annum.

The enemy of the people generally as well as of the party, attempt to make the impression that Democratic revenue acts bear with in-



creasing severity and inequality upon the farmer as a property-holder and class.

Let us see:

We have shown that the gross tax on all property in the State, other than corporations and privileges, had been reduced from 61 per cent. of the whole in 1882 to 46 per cent. of the whole revenue in 1901. For the larger proportion of the increase of revenue has come from the corporations and privileges, levied by the Democrats, as the above figures show, with a large reduction of the rate of taxation upon the lands and other property of our citizens.

So the farmer has no right, in reason and fairness, to complain of the Democratic administration; the land-owners have nothing to complain of, the property-owners have no just cause of complaint, the increase of values and sources of revenue being in increasing ratio upon the industrial enterprises and energies and resources of our people, corporate or otherwise. Farms and farm property, town lots and town property and accumulations have increased in value certainly, but on this class of property the Democrats have reduced the rate of taxation from 28 cents to 21 cents for purposes other than schools and pensions, and increased the assessment and privilege taxes of corporations and industrial enterprises.

AND NOT A SINGLE INTEREST IS UNJUSTLY DISCRIMINATED AGAINST UNDER THE OPERATION OF THE PRESENT DEMOCRATIC REVENUE MEASURE.

## ANALYSIS OF RECEIPTS AND DISBURSEMENTS FOR LAST TWELVE YEARS.

### RECEIPTS.

	Banks License and Stock Tax.	Insurance Companies Taxes.	Express Companies Taxes.	Railroad Taxes.	Telegraph and Telephone Taxes.	Corporation Taxes, Excess, Franchise and State Department.
1894	\$ 17,555	\$ 38,258	\$ 1,198	\$ 53,056	\$ 1,616	\$ -----
1895	16,622	35,652	1,111	53,141	1,618	-----
1896	17,170	46,333	1,236	56,510	1,403	-----
1897	17,407	87,244	3,646	70,541	3,916	-----
1898	18,015	83,040	3,629	81,459	3,974	-----
1899	16,251	80,117	684	84,157	5,163	-----
	103,020	370,644	11,504	398,864	17,690	-----
1900	18,413	86,955	1,885	84,313	4,996	-----
1901	17,940	115,285	2,273	159,803	5,947	16,614
1902	19,385	143,236	2,643	129,035	7,216	21,748
1903	26,645	168,216	8,320	186,687	3,070	60,024
1904	26,871	187,516	967	163,202	5,915	59,370
1905	34,550	199,935	3,535	188,386	11,591	75,358
	143,804	901,143	19,623	911,426	38,735	233,114

## DISBURSEMENTS.

	Public Schools.	Normal Schools.	Loans for Building School Houses.	A. & M. College, Raleigh.	A. & M. College, Colored.	N. C. School for D. & D., Morganton.	N. C. School for D., D. & B., Raleigh.	Univer- sity of N. C.
1894	\$-----	\$ 9,500	\$-----	\$ 17,500	\$ 7,500	\$ 36,500	\$ 45,000	\$ 30,000
1895	-----	11,338	-----	33,750	7,500	57,350	49,000	22,500
1896	-----	11,661	-----	25,000	7,500	35,000	40,000	20,000
1897	-----	11,239	-----	34,936	23,063	35,000	40,000	25,000
1898	10,856	16,750	-----	35,585	18,414	55,000	97,500	25,000
1899	17,358	16,150	-----	33,735	16,265	47,189	67,500	32,500
	28,214	76,638	-----	180,506	80,242	266,039	339,000	155,000
1900	100,615	15,900	-----	33,735	16,265	40,000	67,500	25,000
1901	101,890	16,250	-----	44,510	18,250	47,611	56,236	29,750
1902	185,270	20,250	-----	64,510	23,250	48,900	70,450	37,500
1903	201,003	19,500	63,413	93,036	15,750	51,000	72,679	51,500
1904	194,679	18,000	55,790	34,250	15,750	45,628	60,538	37,500
1905	203,785	20,000	56,570	54,250	19,500	52,797	71,708	70,000
	987,242	109,900	175,773	324,291	108,765	285,936	399,111	251,250

	Soldiers' Home.	Totally Disabled Soldiers \$120.00 per Year.	Pensions Paid.	State Hospital, Goldsboro.	State Hospital, Morganton.	State Hospital, Raleigh.	State Normal and Industrial School.
1894	\$ 9,000	\$ 4,800	\$ 93,459	\$ 46,500	\$ 96,400	\$ 59,000	\$ 17,000
1895	8,500	4,440	100,655	47,500	100,133	79,636	17,500
1896	8,500	4,680	100,371	47,500	100,000	65,245	17,500
1897	8,500	4,440	103,757	40,000	90,000	55,450	25,000
1898	8,500	3,960	100,840	40,000	90,000	55,450	25,000
1899	15,000	5,400	121,636	45,000	105,734	67,050	30,000
	58,000	27,720	620,718	266,500	582,267	381,831	132,000
1900	10,000	7,320	118,275	45,000	100,000	55,000	25,000
1901	18,000	7,665	111,605	52,500	115,000	74,250	40,000
1902	13,000	11,280	200,046	65,000	171,600	81,250	35,000
1903	15,400	10,680	193,361	62,767	163,400	89,438	52,000
1904	13,000	10,440	198,232	58,000	125,000	75,890	72,768
1905	18,000	11,120	204,882	87,200	156,000	122,635	106,865
	87,400	58,505	1,026,401	370,467	831,000	498,463	331,633

In the statement of gross receipts and disbursements for the year 1905, consideration should be taken of the issuance of \$250,000 in bonds to pay off and retire the old ten-share mortgage bonds issued for the construction of the Western North Carolina Railroad. It will be recalled that these bonds were secured by a mortgage on the State's stock in the railroad. The majority of them were held by Schafer Brothers of New York. Under the Compromise Act of 1905, these bonds have all been paid off and cancelled, for which result the State is to be congratulated. The amount was received and disbursed on this account, and therefore it should not be considered an asset that can be used for any other purpose than paying off those bonds.

During the past two years there has been paid out, in addition to the previous appropriations made, an annual increased expenditure for support of the insane asylums, institutions for the deaf, dumb and blind, and the colleges, amounting to \$56,500; and in addition to this,

there has been expended in the two years \$274,900 for buildings and improvements to the asylums and educational institutions. Part of the heavy expenditure, of course, was caused by the loss by fire at the State's Normal and Industrial College at Greensboro. The building which was burned was insured, but the money was immediately used for reconstruction, and the insurance money is not included in the expenditures for buildings, as the appropriation made was in addition to fire insurance money received on account of loss.

The State is now paying annually, in addition to the \$200,000 formerly paid for pensions, \$75,000; making \$275,000 now being distributed to the soldiers in the service of the late Confederate States.

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## STATE AND NATIONAL TAXATION AND EXPENSES COMPARED.

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### EXPENSES OF FEDERAL GOVERNMENT.

When the State of North Carolina and the other old States that secured their independence in 1776, formed the union, to manage their foreign affairs and to look after their commerce and attend to such little matters as concerned the joint welfare of all the States, it was supposed that much money would not be needed to pay the federal expenses. Since the rise of the Republican party, that party has by pandering to certain powerful interests secured control of the government, and except two administrations of Grover Cleveland, it has had control ever since 1860—a period of forty years. Steadily it has increased the needs of the federal government; steadily it has rolled up taxation upon the people. In 1860 the appropriations for expenses of the federal government were \$77,055,125. The appropriations for the federal government for the fiscal year ending 1905 amount to \$781,574,629.99.

It will thus appear that the expenses of the federal government are ten times greater to-day than they were forty-four years ago.

Saying nothing about the immense sums that have been necessary to meet contracts authorized, the sum appropriated for fiscal expenses for the year ending in 1895 is equal to over ten dollars a head for every man, woman and child in the United States. The population of North Carolina in 1900 was one million eight hundred and ninety-four thousand and their pro rata part of these federal expenses, exclusive of the contracts authorized, is eighteen million nine hundred and forty thousand dollars.

## EXPENSES OF THE STATE GOVERNMENT.

The expenses of our State government are but little more than one dollar per capita, and that includes expenditures for education, taking care of the poor, of the insane, of the deaf, dumb and blind, and of the old Confederate soldiers and the helpless widows of those dead heroes.

We see what our people get for this \$1,648,012.74 disbursed in 1900, but who sees what our people get for the \$25,200,000?

## WHICH BENEFITS THE STATE?

The latter is the result of Republican extravagance and their grand notions. In the small amount of the former is seen the result of plain Democratic prudence and economy. Compare the two; compare the benefit our people derive from the two, and compare the relative importance and advantage to our people of the two sets of expenditures; their object and purposes. With \$1,685,501.21 the State educates the boys and girls, provides homes for the indigent and afflicted besides maintaining the State government. Does it lie in the mouth of any Republican, whose party is responsible for the vast expenditures of the federal government, to find fault with the expenditure of a few dollars by the people of North Carolina for our public schools, for our State charities and for the Confederate soldiers, whose wounds on the battlefield incapacitated them in their old age for hard labor?

## SHOULD THE REPUBLICANS COMPLAIN?

If the white people of North Carolina in their anxiety to provide adequate school facilities for their children, do appropriate one hundred or even two hundred thousand dollars for the public schools of the State, is that a matter for Republican politicians to complain about? And if the white people of the State, in obedience to the scriptural injunction to do good to their neighbors, to relieve suffering, to care for the old and infirm and afflicted, do increase the appropriations to the asylums and make more adequate provisions for the old soldiers, is that a matter for Republican politicians to complain about?

Is it extravagance to provide adequate buildings for the insane?

Is it extravagance to spend a little more money on public schools, especially now that the constitutional amendment has been adopted, making it still more necessary for the children to have at least the rudiments of an education? Is it extravagance to make some little provision for the old soldiers who are now fast sinking into honored graves?

The people must decide. We submit this issue to the good people of North Carolina, confident that their answer will be one of approval rather than one of condemnation.



## WHAT THE CHARGES ARE.

The Democratic administration is charged with increasing the appropriations for public schools \$200,000. We boast that the statement is true. We take credit for it. Who is it that brings this charge as an evil, bad thing against the white people of North Carolina?

The Democratic administration is charged with increasing State expenditures for permanent additions to the State charitable institutions. Unhappily, it is too true, that in order to provide adequate accommodations for the unfortunates of the State these additions to our hospitals and asylums were necessary. And the white people of the State were not recreant to their Christian duty. We have just added one hundred rooms to each of the insane asylums at Raleigh and Goldsboro, and we expect to add more there and at Morganton Asylum until every insane person in the State, white or black, can be properly cared for in these institutions.

The Democratic administration is charged with appropriating \$100,000 additional for the old soldiers. When the war was raging 125,000 of her men went to the battle. That was more than her total voting population. Every white family contributed its heroes; the poor and the well-to-do went to the front, shared together the hardships, dangers and perils of the war. They slept under the same blanket, divided their meager rations as brothers, fell wounded together, suffered disease and privations as their common fate—and the survivors are heroes of whom any community in the world might be proud. Now, when the remnant are decrepit, bent with years, disabled by honorable wounds, who will begrudge a pittance to the poor and unfortunate victims of that tremendous and heroic struggle? If any, let them speak and condemn the white people for the slight provision we are making for our soldiers—while the northern people are spending one hundred and forty millions a year in pensions for the northern soldiers.

It will not do for the Republican politicians to condemn these appropriations of which they complain, and then proclaim that they approve of the objects of the appropriations. These objects cannot be attained without money. The people have to pay the cost. The Democratic people pay most of the taxes, and if they think that their duty requires these expenditures, the Republicans should either oppose the appropriations for schools and charities or acquiesce in them. Any other course is inconsistent.

## THE SOUTH DAKOTA BOND SUIT—BUTLER AND RUSSELL'S TREACHERY—FRAUDULENT RAILROAD BONDS—"INDUSTRIAL NEWS" AND BOND CONSPIRACY.

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The Acts of the General Assembly of 1879 relating to the settlement of the indebtedness of North Carolina constituted an epoch-making period in the financial history of the State.

When the Democratic party came into power, after the regime of carpet-bag rule, it found the State tottering on the verge of bankruptcy. A just and equitable adjustment of the State debt appealed to the wisest statesmanship of the party.

Under Republican rule, during the years of 1868 and 1869, the debt of the State had been increased from less than \$15,000,000 to a sum which exceeded forty millions. This increase was due to the fact that the Republican party, which then had control of every branch of the State government, had issued millions upon millions of dollars of State bonds under the specious plea of building railroads for the convenience of the people. But when the Democrats came into power in 1877 they found the State but little better provided with railroads and transportation facilities than it was at the close of the war, while the public debt, increased ostensibly for these purposes, had reached the enormous sum of about forty-two millions of dollars.

Indeed, a stupendous problem confronted the Democratic party. The expenses of running the State government; the unswerving policy of the party to make proper provision for the education of the people and to maintain hospitals for the care of the unfortunate, had to be preserved, and in addition the public debt, enormously increased by the profligacies of the Republican party, had to be dealt with.

The Act of 1879 providing for a settlement of this indebtedness was passed. A commission was appointed, and an agreement reached, acquiesced in by both the State and the majority of its creditors as a just and equitable settlement of the immense debt which had for so long a time cast its dark and ominous shadow across the pathway of a returning peace and prosperity in which the people of our State were beginning to walk.

Among the bonds embraced in this settlement was a class authorized by acts passed before the war. Many irregularities attended the issuance of these bonds which were floated during the reconstruction period. The best evidence that this indebtedness was discredited from the beginning is to be found in the fact that it had been floated in the shape of six per cent. bonds at from twenty-five to forty cents on the dollar. Notwithstanding this fact, together with the many

irregularities attending the issue of this series of bonds, they were embraced in the settlement made under the terms of the Act of 1879. This class of bonds represented an indebtedness of about \$2,500,000, and nearly all of them were surrendered for exchange under the provisions of the Act of 1879. A few of them, however, aggregating in amount about \$250,000, were held by Schafer Brothers, brokers in Wall Street. Unlike nearly all of the State's creditors, this firm declined to accept the terms of settlement and laid their bonds away, abiding their time. At last it came. The people of North Carolina for the moment forgot the days of 1868 and 1869, and in an evil hour in 1896, turned the administration of the affairs of State into the hands of a party whose Governor, and a United States Senator elected by its Legislature, betrayed the interests of the people and concocted a conscienceless scheme with Wall Street brokers to force the payment in full of the outstanding bonds in violation of the terms of the settlement of 1879, so universally acquiesced in as in every way fair and just and honorable to the State of North Carolina and to its creditors.

There was a quarter of a million of these bonds still outstanding, with more than double that amount in accrued interest, enough to make many big fees if by method or measure they could be made valid.

A deep scheme was planned. Marion Butler, well knowing that the eleventh amendment to the Constitution of the United States forbade a suit by a citizen against the State, artfully sought to evade this provision of the Constitution. Let us note the scheme:

On the 11th day of March, 1901, the Legislature of the State of South Dakota passed an act authorizing the Governor of that State to accept any donations of bonds, notes, etc. This act authorized the employment of counsel whose compensation was to be paid out of any recoveries or collections that might be had. Ten bonds were donated to the State of South Dakota, and an action begun in the Supreme Court of the United States under the original jurisdiction clause of the Federal Constitution for the purpose of enforcing their collection. In this suit many witnesses were examined, and among them Marion Butler himself. On page 180 of the Record in the South Dakota suit he admitted to Senator Pettigrew of South Dakota, using his own language, that he "would be instrumental and try and assist him (Senator Pettigrew) to secure a donation." And on p. 181 he admitted that he was employed by the Wall Street brokers, Schafer Brothers, in January, 1901, three months before the expiration of his term as Senator from the State of North Carolina.

In order to show the scope of the scheme which had its genesis in the mind of Marion Butler to coerce the State, which had so signally honored him, to pay in full these bonds in violation of the action of



the commission of the State appointed by the Act of 1879 to settle and adjust the State debt, attention is directed to the fact that the States of New York and Michigan were induced to pass acts similar to that passed by the State of South Dakota.

The Democratic party, in its platform of 1904 (before the decision of the South Dakota case), declared:

"After a long and careful deliberation and conference with many of its creditors, the State of North Carolina adjusted its debt upon a basis so fair and honorable as to win the approval of the financial world and to secure a ratification by nearly every creditor of the State. During the present year attempts have been made to reopen the question settled at that time by the State's wisest and best men. The Democratic party of 1904 approves the settlement made in 1879 and will forever oppose any and all attempts from any quarter to set aside the settlement then made. It will abide the mandates of the Court, but it will not consent to reopen the settlement that was alike creditable to the State and fair to the holders of its securities."

By a divided Court judgment was rendered in favor of the State of South Dakota on the ten bonds for the sum of \$27,400. At the time of the decision the outstanding bonds, principal and interest, amounted to over \$600,000. The General Assembly of 1905 appointed a committee to consider the question of adjusting this indebtedness. Having in mind the declarations of the party in its platform that it would abide the decision of the Court, but would not consent to a settlement except along the lines of the Act of 1879, recommended the payment of the South Dakota judgment and that the outstanding bonds be taken up according to the plan of settlement of 1879, with interest. In this way the State of North Carolina paid every dollar, with the interest, that the wise men who settled the debt in 1879 said it owed. And the whole world will say that the State has been true to its every obligation.

For the purpose of paying this indebtedness in the manner recommended by the committee, the General Assembly of the State authorized the issuance and sale of bonds not exceeding the sum of \$250,000. Under the authority of this act the State Treasurer sold bonds amounting to the sum of \$250,000, and so good was the credit of the State under Democratic rule that they brought in the markets the sum of \$265,440.

We have herein given a brief account of the Russell-Butler-Pettigrew conspiracy against the State of North Carolina. Just here a note of warning:

In 1879 the "Special Tax Bonds" fraudulently issued by the Republican party during the years 1868 and 1869 amounted to about \$12,000,000, on which there was due about \$5,000,000 interest. These bonds were issued, as hereinbefore stated, ostensibly for the purpose of building railroads for the convenience of the people, but the money realized was squandered and not a mile of road built anywhere in the State.



These fraudulent bonds were repudiated in toto by the Democratic administration, and there is hardly a man in the State who will not agree that the party did right in thus repudiating a debt which carried with it neither a moral nor legal obligation. And to make sure that no Republican Legislature should ever have it in its power to provide for its payment, a provision has become incorporated in the organic law of the State that no bond or debt issued or incurred under authority of the Convention of 1869 or the Legislature of 1868-'69-'70 shall be recognized unless the proposition be first submitted to the people.

The evidence is abundant that a nefarious scheme is on foot to press by corrupt means the collection of these fraudulent bonds illegally issued. There exists in the City of New York a committee known as the "North Carolina Bondholders," organized for the purpose of securing control of the "special tax bonds." It will be remembered that Marion Butler suggested the passage of the South Dakota statute and secured from his clients, Schafer Brothers, the Wall Street brokers, the donation of ten bonds, which formed the basis of the conscienceless and vexatious litigation in which the State of North Carolina was for so long a time involved with South Dakota. An examination of the acts by the Legislatures of the State of New York, Michigan, and other States, authorizing them to receive as donations or by purchase, the bonds of other States for the purpose of seeking to press collection, shows that they are identical in language with the South Dakota statute.

The handiwork of Butler everywhere appears in the new and gigantic scheme to collect these old "special tax bonds." Within the last few months donations of these bonds have been tendered to one or more States for the purpose of securing the institution of suits to force their collection. If the verdict of the people of North Carolina never to pay these illegal and fraudulent bonds, recorded in the organic law of the State, is not set aside, it will not be because Marion Butler and others of his party have not taxed their ingenuity to the utmost extent.

There is evidence—from Republican source, too—that the *Industrial News*, the organ of one wing of the party in the State, has been subsidized in the interest of the "Butler-Pettigrew Bond Collection Scheme."

There is an old saying "that when thieves fall out honest men get their dues." The factional fight among the leaders of the Republican party in the State over the distribution of public patronage has led to many interesting disclosures. The subsidized *News* tells of Blackburn postmasters who ought to be in the penitentiary, and the *Tar Heel*, the Blackburn organ, turns State's evidence and tells of the bond conspiracy on the part of Butler and his crowd. That

paper in its issue of June 28, 1906, referring editorially to the Subsidized *News*—to the Butler-Pettigrew combination—says:

“Vote against

Bossism,  
Butlerism,  
Graft and Ring,  
Tricksters, Ringsters and Wire-pullers,  
BUTLER-PETTIGREW BOND COLLECTION SCHEME.”

During the twenty years that intervened between the election of Vance as Governor, in 1876, and the election of Russell in 1896, the Democratic party had control of every branch of the State government except the legislative branch in 1895, which was controlled by the fusionists.

During this long lease of power, the Democratic administration, while jealous of the rights of the tax-payers, was at all times disposed to deal fairly, honorably, and consistently with every legitimate debt of the State. No betrayal of the interests of the tax-payers of North Carolina into the hands of Wall Street speculators—no “bond collection scheme”—marked the period of Democratic rule. But with the return of the Republican party to power in North Carolina the holders of these old discredited bonds saw their opportunity. All sorts of suits were threatened, and at last a scheme concocted by the Russell-Butler-Pettigrew combination which plunged the State into vexatious and expensive litigation.

Further trouble by these same conspirators is threatened, supported by the *Subsidized News*.

Let the people remember that the Democratic party has always stood loyal to the interests of the people!

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## REPUBLICANISM AS REPUBLICANS SEE IT.

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“POLITICAL CUT-THROATS AND PIRATES.”

The Republican party in North Carolina is probably the most thoroughly boss-ridden party that ever existed. The bosses dictate the platforms, change them, after they are adopted, to suit their own wishes and selfish ends; nominate candidates for office, usually themselves, and if there are not enough offices to go round they fight each other over these offices like hungry wolves. More than two years ago Hon. William P. Bynum, late Republican Judge of the Superior

Courts of this State, and a life-long Republican, gave public and solemn utterance to the following striking and timely language:

"The time has come in the tide of Republican politics in North Carolina when one of two things must be done: Either the Federal office-holders must own, control, and manage the affairs of the party absolutely, as they seem to be doing at this convention, or they must abdicate and allow the party to be managed and its policy shaped by those whose policies and principles are governed by other considerations than office-getting, greed, grab, and graft. If the Federal office-holders continue in control, then no self-respecting man can or will be induced to take part in Republican politics in this State. If they are forced to abdicate, as should be done, then there is a future for the party. This may as well be said here and now. The party seems to be drifting without a leader or any one who has the courage to speak above a whisper. Everything is subrogated to the chance of being a delegate or getting an office. The thoughtful, prudent people of North Carolina never will and never ought to consent to the management of the affairs of this great State by such an irresponsible cabal as now controls the affairs of the Republican party of this State."

At that time many of the leading Republicans in the State gave public expression to substantially the same ideas. It was generally conceded by the rank and file of the Republican party that if the party was to grow in North Carolina radical steps should be taken to change the character of its leadership and to make the party of such respectability as to attract honest and unselfish voters.

✓ If there were any steps taken along this line they have been wonderfully meager of results. What do we find after two years' admission of this deplorable state of affairs and supposed effort to correct same?

Hon. William P. Bynum, who more than two years ago so accurately diagnosed the trouble, has recently, in a public speech, defending a revenue official indicted for defrauding the government, described the present situation as follows:

"This is the outcome of an infernal political row in Wilkes County, something that seems to actuate many Republicans in this State, who in their infernal lust for office turned demons in their efforts to damn and blacken good men's characters. Here you find in Wilkes County the hottest contest in the primaries between Linney and Blackburn for Congress. In the convention Blackburn triumphed and immediately began the unparalleled system of vituperation of this man Samuel, one of Blackburn's strong supporters, by Linney's supporters, which never stopped when it reached the portals of this Court. It was a fight of old ex-revenue officers who were out against revenue officers who were in. Following the lead of higher officials, the revenue outs depended on getting office again by slandering those



that were in. Look at it! Here is the United States District Attorney, Holton. His name has been sent in for re-appointment, and here we have seen charges filed against him and efforts made to blacken his character. It is the most relentless, inhuman, damnable state of affairs that ever existed or was permitted in any civilized country. Just let a man have the temerity or the capacity to seek or properly to fill a position, and here flop down a black brood of scavenger harpies and tear his heart out."

When he was called to account by the then State Chairman of his party for the freedom of his speech, Judge Bynum, who, be it remembered, is a life-long Republican, published the following striking reply:

"The rank and file of the Republican party in this State constitute a band of Spartan heroes—noble men who have pronounced political principles and convictions in which they believe and on which they act for their own and their country's good. But some of those who would lead them are little more than political cut-throats and pirates. It was said of Washington that he was first in war, first in peace, and first in the hearts of his countrymen. It may, with equal truth, be said of these men that they are always at war, never at peace, and forever in the pockets of their countrymen."

Whatever may be the Spartan character of the rank and file of the Republican party, it is certain that they have never been able to find among their number leaders capable of giving their party glory in victory or honor in defeat. After their strenuous effort for more than two years to make their party respectable and to find leaders, this is an admission that they have failed and have found instead only bosses who snarl and tear each other, and who think more about the emoluments of office and their selfish interests than the progress of their party or the good of their country.

#### A NEW DEPARTURE.

So fierce has become this scramble and warfare that the bosses have undertaken a unique plan for saving themselves from themselves, and have incorporated in their State platform the following unusual provision:

*"It is therefore now resolved,* That the State Executive Committee of the Republican party be and is hereby instructed to assemble, and each and every member thereof, in Greensboro, N. C., on the first day of September, 1906, and on the first days of March and September in each and every year hereafter, and shall then and there before adjournment consider applications for appointment to all Federal offices in North Carolina, the terms of which shall expire in the next six months, and to recommend to the appointing power in each instance a suitable person for each position, except in such dis-



tricts as are represented by a Republican Congressman. That no application shall be considered unless the applicant shall state in his application that he will submit to the action and recommendation of the committee without further contest."

What will be the result of this effort to change a guerrilla warfare into a semi-annual pitched battle remains to be seen. Whatever may be said of its wisdom or expediency, it is certainly a strange departure in a free government to say that the members of the party cannot even apply for public office unless the bosses of the party in meeting assembled shall permit him to do so and endorse his candidacy!

#### NORTH CAROLINA REPUBLICANISM AS SEEN FROM WASHINGTON.

In order to heal the strife among the bosses and to pour oil on the troubled waters of Republicanism, Secretary of War Taft was brought down from Washington to speak at the recent Republican convention. After discussing many subjects, he gave utterance to this wise and candid statement:

"I do not wish to seem ungracious, but I must be candid. *In my judgment the Republican party in North Carolina would be much stronger as a voting party if all the Federal offices were filled by Democrats.* Of course, I cannot deny that a wish to fill public office is an honorable aspiration, whether by appointment or by election, but when all hope of choice by the people is abandoned, and everything is given over to influencing a *distant appointing power to choose particular men to perform official functions in a community politically hostile to those men, the result is not good for the men or the community.* The struggle for Federal political office producing, as it does, jealousies and strifes and disappointments, paralyzes united effort to make the party strong at the polls and worthy of success. The men upon whose change of vote success in the election depends are not particularly interested in the success of one faction or another, but they are interested that their votes shall be cast for those candidates for local and State offices whose character, devotion to duty, intelligence and ability will assure good local and State government, and for those representatives in the National Congress who will faithfully and courageously carry out the high principles of the National Republican party with a due regard to the particular interests of the district and State they represent. As long, however, as the Republican party in the Southern States shall *represent little save a factional chase for Federal offices in which business men and men of substance in the community have no desire to enter and in the result of which they have no interest,* we may expect the present political conditions of the South to continue."

Even President Roosevelt is quoted as having said: "I wish there was not a Federal office in the Southern States to be filled by a Republican. It would help the Republican party."

#### REVENUE SCANDALS.

When it is borne in mind that the revenue offices are filled by the Republican bosses and their lieutenants, the recent exposure of fraud and corruption in the revenue service of this State is enough to warrant all that has been said on this subject. It has been necessary to have special terms of the Federal Court, to have an extra Assistant District Attorney, and a Solicitor-General from Washington to assist in the prosecution of the numerous revenue officers indicted for fraud and corruption. The rottenness disclosed has been so great as to produce almost a national scandal.

As the result of these prosecutions so many Republican office-holders were convicted and sentenced to jail and the penitentiary that a distinguished Republican is reported to have said that if things kept up the next Republican State Convention would have to be held in the Federal penitentiary at Atlanta. In this remark the distinguished Republican referred to recognized what every one in the State knows—that with us Republican conventions are in the main mere gatherings of the office-holders of that party who completely run and control them.

#### WANTED THE PARTY TO GROW SMALLER.

Ex-Senator Marion Butler, who is one of the leading bosses, if not the head boss, of the Republican party in this State, recently expressed the following sentiments on the subject of North Carolina Republicanism before it came under his leadership:

"They wanted it to grow smaller, they wanted their States to stay Democratic as to their State and local governments, and they wanted to have a small coterie of men calling themselves the Republican party who would control and dish out the Federal patronage among themselves.

"Their constant regret has been that the party was already so large that there was not an office for each Republican. If this condition could have been reached, then there would have been perfect harmony for the first time in the Republican party in certain localities and States in the South, provided they had not quarrelled over the question as to which one was entitled to the biggest office.

"These so-called leaders often made themselves offensive to the best white people so as to make it sure that no decent member of the other party would join the Republican party."

While these statements may truthfully apply to the past history of the Republican party, in the light of recent events it is certainly true that it applies with redoubled force to present conditions, and the Republican party of this State as now constituted is the natural and logical successor of the Republican party of 1868 and the fusion party of 1896. The party still longs more for the fleshpots of office than for the promised land of good government.

Can the leopard change its spots? Well, it hasn't yet.

“A HORDE OF CONSPIRATORS.”

The *Weekly Tar Heel*, one of the leading newspapers in the State, referring to Mr. Rollins, recently State Chairman of the Republican party, says:

“He allowed the office trust to usurp his rights as chairman and disregarded the wishes of his people until his influence was handed over to an ex-Populist Senator and a horde of conspirators, who would destroy the character of the purest man on earth to accomplish their purposes, and, vulture-like, hovered around the pie-counter carcass at the sacrifice of principle and thousands of loyal Republicans.”

“THE PEOPLE CANNOT BE FOOLED ANY LONGER.”

In another issue the same paper thus describes the situation:

“For nine long years without murmur they have submitted to the schemes of the bosses, who have fooled the people by making the people believe that they wanted to build up a great party and that they were not working for themselves. When the time came for THIRD-TERMS it was made plain that these would-be bosses had been working for themselves all the while instead of a party, and had been building up a machine to perpetuate themselves in office and in power. The people cannot be fooled any longer.”

## REPUBLICAN CHARGES OF DEMOCRATIC EXTRAVAGANCE ANSWERED.

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Judge Adams, who is Chairman of the State Executive Committee of the Republican party, read a carefully prepared speech at Asheville on August 26, which was intended to supply the Republican spell-binders of the State with material for this campaign.

### JUDGE ADAMS' CHARGE.

Chairman Adams charges the Democratic party with wastefulness, extravagance, and squandering of public money, and seeks to prove his charge by a comparison of the expenditures of the State government made by the Republicans in 1898 with those made by the Democrats in 1905. He states that the Republicans, being in full control of the State government, in 1898 spent \$1,287,641.18, while the expenses of the State government under the Democrats in 1905 amounted to \$2,563,018.80. He states: "It is due you to tell you where those \$2,563,018.80 of the people's money went. It has been wasted and scattered in many ways by increasing the salaries; in expenditures in all departments; by the multiplication of offices and office-holders; by increasing the judges in the judicial districts, together with the salaries of the judges; by employment of help in almost every branch of the government, and by extravagances and waste in almost every department."

This constitutes the Judge's charge. He then proceeds to discuss certain items of expenditure for State government. But before discussing them it is worth while to call attention to certain items which Judge Adams thought it wise not to call the attention of the people to.

### REPUBLICAN LEGACIES.

First of all, the Republican Chairman failed to call the attention of the people to the expenditure in 1905 of \$4,500.00 for interest on State's Prison bonds, which were issued to pay for the debts incurred by the Republican administration of the State's Prison. This interest has been a continuous charge during all the years of Democratic administration.

He failed, also, to call attention to the expenditure of \$2,100.00 for interest on the State farm bonds—the bonds having been issued to pay for the farms of the penitentiary which were contracted to be purchased by the Republicans and for which the Democrats had to pay. This interest charge is also a continuous one.

The Republican Chairman—by mere inadvertence, of course—failed to call the attention of the people to the fact that in 1905 the



Auditor's report shows that there were paid out the sum of \$259,476.00 on account of the South Dakota litigation; the history of which litigation will be found in the Democratic Hand-book. Senator Butler, then a member of the United States Senate from North Carolina, and Governor Russell, Governor of North Carolina, are charged with conspiring with the bondholders, and through Senator Pettigrew of South Dakota securing the passage of a law in that State which resulted in this litigation, and which compelled the State to incur this expenditure. The entire transaction is so disgraceful a blot on the fair name of the State, and of its United States Senator and Governor, that it is no wonder Republican Chairman Adams failed to call the attention of the people of the State to this expenditure. These three items amount to \$266,076.03.

#### EDUCATION.

It is a little strange that the Republican Chairman failed to call to the attention of the State the following expenditures by the Democratic administration of 1905 in the interest of the schools of the State: Paid out of the public treasury for the public schools, \$100,000.00; paid a supplemental appropriation for public schools, \$100,000.00; paid for rural public libraries, \$3,785.00; paid for Appalachian Training School, \$5,000.00; paid for Cullowhee Training and Industrial School, \$3,500.00. These items aggregate \$212,285.00. Does the Republican State Chairman mean to charge that the Democrats were guilty of extravagance and wastefulness in the expenditure of this money? It will be noted that in 1898 there was no amount paid for any of these items.

#### CONFEDERATE SOLDIERS.

The Democrats in 1905 paid to the disabled Confederate soldiers \$11,120.00, while the Republicans in 1898 paid to the same classes only \$3,960.00. Does the Republican State Chairman mean to charge the Democrats with wastefulness and extravagance in this expenditure? It would seem so from his speech.

In 1905 the Democrats appointed several commissions to erect monuments to preserve the memory of the Confederate dead, and to write the history of their achievements. For instance, \$250.00 was spent in erecting a monument at Bethel to commemorate North Carolina's brilliant record there; \$500.00 was spent at Chickamauga; \$1,063.75 was spent for a monument at Appomattox to commemorate the last charge of Grimes and Cox; and \$500.00 was spent for an historical commission to write the achievements of the past. Can it be that the Republican State Chairman is charging the Democrats with extravagance and wastefulness in spending this money? He

does so in this speech, because these items are included in the expenditures which he charges as extravagances.

In 1905 the Democrats paid for Confederate pensions \$204,882.00, while in 1898 the Republicans paid only \$100,840.50. In the same year the Democrats spent \$18,000.00 in the maintenance of the Soldiers' Home, while in 1898 the Republicans spent only \$8,500.00 for the same cause. Can it be that the Republican State Chairman is criticising these expenditures as being wasteful and extravagant? They are included in the expenditures which he criticises. Adding these figures together, it will be seen that in 1905 the Democrats spent on account of the Confederate soldiers and their history, \$236,315.75, while in 1898 for the same causes the Republicans spent only \$113,300.50—showing that this one item of increase in expenditures complained of by State Chairman Adams amounted to \$123,015.25.

#### EDUCATIONAL INSTITUTIONS.

By reference to the Auditor's reports for 1898 and 1905, it will be seen that the Democrats in 1905 spent for the A. & M. College for the colored at Greensboro, for the Deaf, Dumb and Blind Institution at Raleigh, for the Deaf and Dumb at Morganton, for the State Normal for girls at Greensboro, and for the University of North Carolina, just \$109,165.98 more than the Republicans spent in 1898 for the same causes. Does the Republican State Chairman mean to charge the Democrats with extravagance and wastefulness in this additional effort to educate the young people of the State, and particularly those whom God has afflicted with blindness, deafness, and dumbness? This item of \$109,165.98 is included in the expenditures which the Republican State Chairman criticises.

#### EARNINGS COVERED INTO TREASURY.

The system of book-keeping adopted by the Republicans in 1898 did not include in the Auditor's reports the earnings of any of the institutions except the Penitentiary, and that amounted to \$94,942.41. In 1905 the following items of earnings from the State institutions occur among the payments criticised generally by the Republican State Chairman:

Penitentiary.....	\$161,379.12
Deaf, Dumb and Blind, at Raleigh.....	4,158.05
Deaf and Dumb Institute, Morganton.....	5,296.66
Hospital for Insane, Raleigh.....	8,800.32

Total .....	\$179,634.15
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This item is also included in the expenditures which the State Chairman criticises.

## LEGISLATIVE YEAR COMPARED WITH NON-LEGISLATIVE YEAR.

It is a little remarkable that the Republican State Chairman selects 1898 for comparison with the year 1905, when every one knows that there was no Legislature in session in 1898, and there was a Legislature in session in 1905; expenses of the latter amounting to \$72,004.90. This sum should, therefore, be deducted from the comparison of the expenses of the two years or added to the Republican expense in order to get a fair comparison.

## THE REVISAL OF 1905.

In the year 1905 the Democrats expended \$8,736.74 on account of The Code, while the sum of \$10,567.51 expended on the same account is included in the public printing bill which Judge Adams criticises. The Code of 1883 cost something over \$35,000.00. Notwithstanding the Revisal of 1905 is a larger book and that the cost of all material and work has greatly increased in the twenty-two years, the cost of the Revisal will be fully \$10,000.00 less than the cost of The Code.

The Republicans in 1898 incurred no expense on this account, though it is well known that such a publication was greatly needed, and their Legislature in 1897 decided upon establishing a Code Commission, but it was killed by Governor Russell's influence, because the men selected to fill the position were known to be thoroughly incompetent. The Democrats could not undertake its publication until after they had paid the debts of the Republican administration, which Judge Adams commends, and which amounted to more than \$400,000.00. They have paid these debts, except those for which bonds were issued, and are paying the interest on those bonds, and the bonds themselves will have to be met shortly.

## MISCELLANEOUS ITEMS.

In 1905 the Democrats paid out \$10,180.26 on account of the Shell-fish Commission, and that is one of the items included in the criticism of Judge Adams. The Shell-fish Commission is no expense to the State, because the total amount paid out was received in fees by the Shell-fish Commission.

So likewise, in 1905 they paid out to the Audubon Society \$9,048.95. Of course, the people are not taxed to pay this, but the fund is raised by taxes upon the bird hunters, and almost entirely from other States. This item is included in the expenditures of 1905.

The Democratic Legislature, after the experience in the burning of the Main Building of the State Normal School at Greensboro and of Watauga Hall at the A. and M. College at Raleigh, prescribed that

the Insurance Commissioner should insure the State property and should see that all policies are uniform and valid in form. It cost in 1905 the sum of \$10,028.00 to carry out this law. Surely Judge Adams doesn't call this wastefulness and extravagance. It is needless to say that the Republicans took no such precaution as this.

#### INSANE.

In 1898 the Republicans appropriated for all purposes in the support and maintenance of the insane and in keeping up the buildings the sum of \$188,450.00, while in 1905 the Democrats spent for the same purpose the sum of \$362,035.45.

Judge Adams, in criticising the State institutions, changes his policy, and instead of comparing 1898 and 1905, attempts to make a comparison with 1902. Let us continue the comparison with 1905. In 1898 there were 1,147 insane patients cared for, while in 1905 1,643 were cared for. The Republicans appropriated not a cent for the enlarging or repairing their buildings for the insane, while it is well known that the Democrats during 1905 made very extensive enlargements of these institutions, and that even yet there is not sufficient room to care for all the insane. An examination of the reports of these institutions will show that there has been no substantial increase in the maintenance per capita, and in many respects there has been a substantial decrease, taking into consideration the well known increased cost of living. This expenditure of \$169,585.45 by the Democrats in 1905, more than the Republicans appropriated in 1908, is one of the items which Judge Adams criticises. Surely the Republicans will not dare to go before the people of the State and criticise the Democratic party for enlarging the institutions for the insane and building more rooms to take care of these unfortunates.

#### SUMMARY.

By adding together the foregoing items it will be seen that for all of them the Democrats in 1905 expended \$1,839,101.36, while in 1898 for the same item the Republicans expended only \$714,570.85. In other words, for education, for the insane, for Confederate soldiers, in paying the Republican legacies, and counting in the earnings of the institutions, the Code Commission, the Audubon Society, the Shell-fish Commission, and for insuring the State's property, the Democrats spent \$1,124,530.51 more than the Republicans did.

Judge Adams told the people of the State: "It is due you to tell you where those \$2,503,018.85 of the people's money went." And yet here is \$1,839,101.36 of the sum to which he does not even allude, and only criticises in the aggregate.

If we add to the \$1,839,101.36 spent in 1905 the item of \$25,000.00, which is included in the aggregate and is shown by the Aud-



itor's report to have been a repayment to the literary fund, and not an expenditure for the year 1905, we have an aggregate of \$1,864,101.36. Deduct this from the total expenditures for the year and we have \$639,592.52 as the total expenses for running the ordinary departments of the State government. By deducting the same items spent by the Republicans in 1898, to-wit, \$714,570.85, from their total expenditures of \$1,283,971.11, we have \$569,400.26 as the expenses for the ordinary departments of State government in 1898. The difference between the Democratic expenses in 1905 and the Republican expenses in 1898 is \$70,192.26. So that, notwithstanding the great growth and development of the State, notwithstanding the great increase in the receipts of the State government, and notwithstanding the great increase in the cost of living, the Democrats spent for the ordinary departments of the government only \$70,000 more than the Republicans did; and of this sum \$15,000.00 was on account of the judiciary, which even Chairman Adams approved.

Putting it another way: The Democrats spent for all ordinary departments of the government, in excess of the Republicans, about two-thirds as much as would have gone into the pockets of the Secretary of State if the Democrats had continued in force the Republican laws governing the Department of State and insurance companies.

This is a record of which the Democrats are justly proud, and fully answers the charge of Chairman Adams.

By reference to the Auditor's report for 1905, page 265, it will be seen that the correct amount of the expenditures is \$2,503,693.88. It is not known where Judge Adams got his incorrect figures.

Judge Adams states that the expenses in 1898 amounted to \$1,287,641.18. Auditor Ayer in his report for 1898, page 192, gives the amount as \$1,283,971.11. This shows the absolute inaccuracy of all of Judge Adams' figures.

#### AGRICULTURAL DEPARTMENT.

The Republican Chairman then undertakes to show by figures the definite disbursements in which he charges that money has been wasted and squandered. His first charge is that the Republicans spent in running the Agricultural Department in 1898 \$61,377.94, and that last year the Democrats spent \$96,523.06.

All the funds for this department are raised by the tax on fertilizers, and the department is run solely in the interest of the farmers of the State. It is a source of great pride to the Democrats that they collected out of the fertilizer companies doing business in this State \$35,000.00 more than the Republicans did; and a close scrutiny of the items of expense of that department fails to show a single item of wastefulness and extravagance. The new experimental farms in different parts of the State, the new divisions of veterinary, horticul-

ture, entomology, botany, and the like, have been established and are successful in their various lines of work. Various other matters worthy of note, and of great benefit to the farmers of the State, are pointed to by the Agricultural Department with very great pleasure and pride. How different is this from the management of the Republicans! Scandal followed scandal thick and fast. The funds of the Department were expended in useless litigation and the creation of many useless offices, and such a stink arose that from one end of the State to the other the Agricultural Department came to be known and spoken of as the "State Manure Pile." The Republicans are entitled to take all the credit they can from the comparison of this Department under the two administrations.

#### AUDITOR'S DEPARTMENT.

The Republican State Chairman says that the Auditor's Department cost \$3,500.00 in 1898, and \$5,494.31 in 1905. Judge Adams seems to have forgotten, if he ever knew, that Auditor Ayer had a contingent expense which runs up into the hundreds of dollars, and he can easily find the amount by examining the details of the contingent expense fund; and in addition thereto he drew a salary of \$360.00 as Supervisor of Printing. Judge Adams ought to know—and if he was frank he would have told the people—that in 1901 the Legislature changed the method of its assessment of taxes of private corporations, and required three thousand corporations to be assessed for taxation through the Auditor's office; this was formerly done through the counties. The result shows the great wisdom of the legislation by the enormous increase in the amount of taxes collected, which amounted to \$370,982.53, while the increase in the expenses of the Auditor's office are practically nothing. So far from being waste and extravagance, it is one of the items the Democrats point to with the greatest pride. The Auditor's office is no longer a fifth wheel in the State government, as it was under the Republican administration, but is now one of its most efficient departments.

#### GOVERNOR'S MANSION.

The Republican State Chairman next criticises the Governor for expending \$7,425.35 on the Governor's Mansion and grounds more than Russell spent in 1898. It is well known that during the entire Republican administration not only the Governor's Mansion, but all public buildings were permitted to go to decay, and that they spent practically nothing in taking care of the State's property. Governor Russell, in his retiring message to the Legislature, called public attention to the necessity of work upon the mansion. Governor Aycock lived nearly through his term suffering the inconven-

ience of badly-needed repairs, and just before he went out of office he authorized the expenditure of this sum of money; and it is one of the proudest acts of his life that he made the Governor's Mansion decent, and put it in condition somewhat worthy for the Governor of North Carolina to live in. No repair work had been done upon it or furniture bought since Governor Fowle's death.

## JUDICIARY.

Judge Adams next criticises the increase of about \$15,000.00 in the cost of the judiciary. He then says that this was a wise expenditure by the Democrats, and, while he commends, he still includes it in his criticism. It is only necessary to say that the majority of the law reports of the country are now praising the North Carolina Courts as being among the ablest in the Union. The Judges get less salary than in any of the leading States. We have fewer Judges than any State the size of North Carolina. How different this is from the history of Republicanism: Judges impeached for partisanship, others resigning to prevent impeachment for personal immorality, a large number of other Judges discredited, and the administration of justice brought into disrepute. It is no wonder that Judge Adams, who has been himself a Judge and knows the requirements of that office, should commend the Democrats for increasing the number of Judges, increasing their pay, and thus securing a higher class of men.

## LABORERS' PAY INCREASED.

The Republican Chairman next criticises the Democratic party for raising the wages of the laborers employed by the State government from \$5,723.84 to \$7,615.39. The Democratic party offers no excuse for this. It believes in paying laborers fair wages, and when the price of living increases it believes that the pay of laborers should increase. It shows its faith by its works, and it is glad that the Republican State Chairman shows his party's want of sympathy with the laborer by criticising the Democrats for increasing the pay of the laborers the State employs.

## PUBLIC PRINTING.

The Republican State Chairman next criticises the expenditure of \$30,916.78 for State printing in 1905, while only \$10,596.69 was expended, he says, in 1898. First of all, the Republican State Chairman is not fair with the people. He doesn't tell them that in 1905 a Legislature was in session, requiring the printing of bills, records, and the like; that when it adjourned the Public Laws and the Private Laws were to be printed; that the reports of all the State officers were to be printed; that the public documents were to be printed and

bound, Journals of the two Houses were to be printed and bound, and that no such expense was incurred in 1898. Why doesn't he compare 1905 with 1897, when the Republicans spent \$24,716.97 for public printing? An examination of the items charged under the title of contingencies in 1898 will show that a number of departments charged their public printing to "contingencies." Several of the institutions charged their printing to their individual account and not to the public printing account. The Bulletin published by the Agricultural Department for the State for the farmers then only had a circulation of about six thousand or less; it now has a circulation of thirty-two thousand. New departments have been added to the government: for instance, the Insurance Department; the assessment of taxes against private corporations by the Auditor and their collection by the State Treasurer. The Corporation Commission is now made a Tax Commission; a department in the Secretary of State's office regulating private corporations has also been established, and all necessarily increase the volume of public printing.

Judge Adams fails to call attention to the fact that in 1905 the new Revisal was printed and that something over \$10,000.00 was charged to the public printing account on account of this publication. The result is that the public printing is to-day done at a very much less cost to the State than it was in 1898. One of the expenses paid by Governor Glenn in 1905 was paying the attorneys employed by the Republicans in the case of *Worth v. Stewart*, to recover back to the State for improper charges by the Republican public printer. The contracts for public printing show that the present contract is more than twenty-five per cent. less than the contract with the Republicans, although there has been an increase of nearly twenty-five per cent. in the wages of printers, and their hours of work have been now restricted to eight hours per day. One of the scandals of 1898 was in the public printing, and a detailed examination of the accounts will demonstrate the falsity of the Republican Chairman's claims.

#### TREASURY DEPARTMENT.

The Republican Chairman declares that the Treasury Department under the Republicans in 1898 cost \$6,250.00, while last year it cost \$7,737.00. By looking at the Auditor's report it is seen that in 1905 the cost of the Treasury Department was \$6,250.00, just the same as it was in 1898; but there is an additional item of Treasury Department contingency in the Democratic report of \$1,450.37. Judge Adams added these two together. He ought to have known that the Republican Treasurer also had a contingency account, and if he had examined it he would have found it to amount to \$1,430.71. In other words, Treasurer Lacy's office in 1905 cost \$19.66 more than Treasurer Worth's did in 1898, and Treasurer Lacy's force stole no money



from the State, while one of Treasurer Worth's employees stole \$16,000.00.

The Republican party is entitled to take all the credit it can out of this condition of affairs. But Treasurer Lacy is entitled to a credit which these figures fail to show. The contingent account of the Treasury in both cases is made up of costs paid for the collection of taxes and other expenses necessarily arising in the Department. There has been an increase of more than thirty-eight per cent. in the collections, while the increase in the cost of collecting has only been \$19.66.

Of course, the Republican Chairman knew that under the Revenue Acts of 1903 and 1905 the Treasury Department collects direct the corporation franchise tax, that being \$3,000.00; the horse dealers' license tax, the taxes from dispensaries, oil dealers, privilege taxes on the railroads, and the like. These duties were not performed by the Treasurer in 1898. Then the loan fund made to the various counties for building school-houses is paid and the notes collected through the Treasurer's office. There are now fifteen hundred of these notes in his hands. The large increase in the size of our charitable institutions has greatly increased the work in his office, as well as the extra appropriation for schools. The result is that during the busy season Treasurer Lacy's clerks (as, indeed, are the clerks in the Auditor's office and Secretary of State) are compelled to work at night all during the busy season. They have done so without complaining; have performed at least fifty per cent. more duties than those which were performed in 1898, and the office has cost \$19.66 more than in 1898!

#### STATE DEPARTMENT.

The Republican State Chairman charges Secretary of State Grimes up with \$3,600.00 of expenses for the Insurance Commissioner, and declares that the duties of that office were formerly performed by the Secretary of State, and that Secretary of State Thompson in 1898 received \$3,980.54, while Secretary of State Grimes and Insurance Commissioner Young, together, have received \$8,930.05. This is one of the outrageous extravagances which he charges against the Democratic administration. As usual, it is one of the bragging points of the Democrats. The Legislature in 1899 created the Insurance Commissioner's office, and the first year Insurance Commissioner Young went in office he collected from the fees which formerly went into the pockets of the Secretary of State the sum of \$9,184.00, and in 1905 this same character of fees which he collected and turned into the State Treasury, but which under the Republican law would have gone into the pockets of the Secretary of State, amounted to \$16,750.50. The Republicans claim that Secretary of State Thompson did not collect fees to such an amount. That may be true; and neither did he collect taxes out of the insurance companies to the extent that the

Democrats have; for in 1898, his largest year, he only collected \$84,879.28, while the very next year a Democrat collected \$92,865.21, and in the year 1905 the Democrats collected from the insurance companies the sum of \$205,124.07.

The Republican State Chairman ought to know—and no doubt does, though he failed to tell the people so—that in 1901 the Democrats passed a modern corporation law and placed the duty of enforcing it upon the Secretary of State and gave him a clerk, with the salary of \$1,200.00, to perform the duties under that act. As a result more industrial enterprises have been begun in North Carolina than in any other Southern State for a given length of time.

While comparing the Secretary of State's office under Thompson with the same office under Grimes, it will be seen that in 1905 Grimes collected in fees and turned into the Treasury from his office the sum of \$37,755.89, which is more than Thompson turned into the Treasury during the whole four years of his term of office. For in this four years together he only paid to the State Treasury of funds collected by him the sum of \$31,113.08.

It is well known that the work in this office has very nearly quadrupled within the last four years, and the lights burn there almost every night in the year in order to keep up with the work. In 1905 the Legislature added \$200.00 to the Chief Clerk's salary. This and the Corporation Clerk constitute the increase in expense of this office. The administration of this office is one of the features of the Democracy of which the party is justly proud.

#### SUPERINTENDENT OF PUBLIC INSTRUCTION.

The Republican State Chairman charges the Democrats with having increased the cost of this department from \$3,000.00 in 1898 to \$4,453.73 in 1905. The charge is true. And unfortunately, it is only true. For with the very great impetus in educational affairs and the wonderful progress made therein under the Democrats, many people believe that the Democratic party has not been as liberal with this department as it should have been, and the increase in the salary of the officers, the clerical force, and the like, should have been much greater. For this department to have increased the average length of school term from 11.73 weeks in 1897 to 16.7 weeks in 1905 at an increased departmental cost of only \$1,453.00, reflects the very greatest credit upon that department, to say the least.

#### EXTRA ATTORNEYS.

Judge Adams criticises the Democrats because, he says, in 1905 they employed attorneys to represent the State and paid them \$7,061.80, while in 1898 Governor Russell only paid out for the same

purposes \$5,206.00. Judge Adams ought to have known that a large part of the Democratic expenditure was because of the South Dakota suit, which was settled in 1905. The expenses of this litigation ought properly to be charged against Governor Russell and Senator Marion Butler, and not against the Democratic party. Why did not Chairman Adams refer to Governor Russell's lawyers' fees for the other three years of his administration, which were as follows: \$9,997.73 for 1899; \$9,159.33, for 1900; and all but \$221.65 of the \$17,606.94 for the fiscal year 1901? The year 1898 was the beginning of Governor Russell's administration, and he had just begun to pay his lawyers; as seen above, as the years passed their fees increased until it became one among the great scandals of his administration.

#### CHARITABLE INSTITUTIONS.

The Republican State Chairman attacks these institutions in a wonderful way. He declares that the Republicans took care of the blind at Raleigh in 1898 for \$40,000.00. He was very careful not to say, what the records show to be true, that at the end of that year the institution had incurred an indebtedness of \$15,000.00, which the Democrats had to meet when they came in office. This is the only institution to which the Republicans made any appropriation of consequence for improvements, and they began the erection of the celebrated "Colonel Jim Young" Building, which the Democrats had to complete. A part of the Democratic expense was cutting off the name of "Colonel Young" from the corner-stone of that building.

The most remarkable of all charges made by the Republican State Chairman is his charge against the insane asylums. As to each of these he speaks of what the Republicans spent in their maintenance and compares that with what he says the Democrats spent in 1902. The Republican State Chairman certainly ought to know that each of these institutions was under Democratic control in 1898. They constitute the only thing in North Carolina that they had no opportunity of despoiling. Dr. Murphy was Superintendent of the Morganton Hospital then, and is now. Dr. Miller was in charge of the colored institution at Goldsboro in 1898, and so continued up to his death last year. Dr. Kirby, a Democrat, was in charge at Raleigh until his death, when he was succeeded by Dr. James McKee, who, in 1898, was Chairman of the Executive Committee and approved all the vouchers for the hospital at Raleigh. So there has been practically no change in the administration of these institutions. Fortunately for the insane of this State, the Democrats retained control while Fusionism ran riot throughout the State.

All the power the Republicans possessed was in making appropriations, and as to each of these institutions the records show that they made insufficient appropriations and each of them carried over a debt

at the end of the year. It hardly lies in Republican mouths to criticise Democrats for making ample appropriations for the insane, when they themselves refused to do so. It is a fact that these institutions cost more money in 1902 and 1904 than in 1898, for every one knows there has been a very great increase in the cost of living. But there was no mismanagement of them in 1898, nor in 1904, for the Democrats had charge all the time.

#### CONCLUSION.

Judge Adams may endeavor to use specious arguments and take isolated figures to fool the people, but the people of North Carolina have had enough of Republicanism, and will not be deceived.

Judge Adams says there is more crime to-day than under Fusionism, and cites the horrible affair at Salisbury to prove it. If Judge Adams and his administration had been continued in power the vile negroes who murdered the Lysterly family would have possessed the same power at the ballot-box as Judge Adams does. That they do not possess it now is due to Democratic success, achieved in opposition to the most earnest efforts of Judge Adams and the Republican party in North Carolina.

### COMPARATIVE STATEMENT.

#### REPUBLICAN LEGACIES.

In the year 1905 the Democrats paid the following sums which are properly chargeable to the Republican party:

Interest on State Prison bonds.....	\$ 4,500.00
Interest on State Prison Farm bonds.....	2,100
South Dakota bonds.....	259,676.00
Total .....	\$266,076.03

#### EARNINGS COVERED INTO THE TREASURY, BUT WHICH WERE ACTUALLY USED BY THE SEVERAL INSTITUTIONS, AND THEREFORE CHARGED AS EXPENDITURES.

	1898.	1905
State Prison.....	\$94,942.41	\$161,379.12
Blind Institution, at Raleigh.....	.00	4,158.05
Deaf and Dumb, Morganton.....	.00	4,159.95
State Hospital, Raleigh.....	.00	8,800.32
Totals .....	\$94,942.41	\$179,634.15



## EDUCATION.

	1898.	1905.
Appropriation to Public Schools.....		\$100,000.00
Supplemental Appropriation to Public Schools .....		100,000.00
Rural Libraries.....		3,785.00
Appalachian Training School.....		5,000.00
Cullowhee Training and Ind. School.....		3,500.00
A. and M., white.....	\$ 35,585.60	54,250.00
A. and M., colored.....	18,414.40	19,500.00
D. and D. and B., Raleigh.....	97,500.00	67,550.00
D. and D., Morganton.....	55,000.00	47,500.00
State Normal, Greensboro.....	25,000.00	106,865.98
University .....	25,000.00	70,000.00
Totals .....	\$256,500.00	\$577,950.98

## INSANE.

	1898.	1905.
Dangerous .....	\$ 3,000.00	\$ 5,000.00
Goldsboro .....	40,000.00	87,200.00
Morganton .....	90,000.00	156,000.00
Raleigh .....	55,450.00	113,835.45
Totals .....	\$188,450.00	\$362,035.45

## CONFEDERATE SOLDIERS.

	1898.	1905.
Disabled Confederate Soldiers.....	\$ 3,960.00	\$ 11,120.00
Bethel Memorial Commission.....		250.00
Chickamauga Memorial Commission..		500.00
Historical Commission.....		500.00
Appomattox Commission.....		1,063.75
Soldiers' Home, Raleigh.....	8,500.00	18,000.00
Confederate Pensions.....	100,840.50	204,882.00
Totals .....	\$113,300.50	\$236,315.75

## EXPENDITURES OTHER THAN ORDINARY.

	1898.	1905.
Republican legacies.....	\$.....	\$266,076.03
Confederate Soldiers.....	113,300.50	236,315.75
Education, from public funds.....	256,500.00	577,950.98
Insane, including buildings.....	188,450.00	362,035.45
Earnings .....	94,942.41	179,634.15

Legislature .....	\$	72,004.90
Code Commission.....		8,736.74
Code Commission Printing.....		10,567.09
Shell-fish Commission.....		10,180.26
Audubon Society.....		9,048.95
Insuring State Property.....		10,028.00
Agricultural Department .....	\$ 61,377.94	96,523.06
Repayment Loan Literary Fund.....		25,000.00
<hr/>		
Total .....	\$ 714,570.85	\$1,864,101.36
Total expenditures.....	1,283,971.11	2,503,693.88
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Balance for ordinary expenses.....	\$ 569,400.26	\$ 639,592.52
		569,400.26
<hr/>		
Democratic Excess.....		\$70,192.26

## STATE TAXES.

AMOUNTS PAID STATE BY COUNTIES AS COMPARED WITH AMOUNTS  
RECEIVED FROM STATE BY COUNTIES.

The State Treasurer's Report for the year 1905 shows that for that year sixty-four per cent. of the State's income was derived from franchise taxes, privilege taxes, taxes on railroads, insurance companies and other corporations, and dividends from railroad stock owned by the State, and that thirty-six per cent. of its income for that year was derived from amounts collected as State taxes from the several counties and paid by their officials into the State Treasury.

This is a remarkable showing as indicating the progress that has been made under Democratic government in equalizing the burdens of taxation. For a long time the State collected most of its income directly from the citizens, while corporations, especially railroads and insurance companies, did not pay anything like their proportionate share of taxes, and but comparatively little money was realized by the State from franchises and privilege taxes.

The Treasurer's Report for 1905 also shows that in that year forty-one counties in the State received back from the State for schools, pensions to Confederate soldiers, and for the support and care of their unfortunate ones, more money than they paid in that year into the Treasury of the State. The report also shows that of the taxes paid into the State Treasury by the several counties, all except \$197,-

714.97 is returned to them either for schools, pensions, or for the support and care of their unfortunates.

Total receipts of the State for the year 1905 were.....	\$2,795,563.29
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Of this amount there was collected of railroads, insurance companies, other corporations, dividends on railroad stocks, franchise and privilege taxes.....	1,780,051.31
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Leaving a balance of.....	\$1,015,511.98
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as the full amount received from the counties in State taxes. The State returned of this amount to the counties:

For public schools .....	\$203,595.00
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For pensions to Confederate soldiers .....	215,702.00
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Total .....	\$419,297.00
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Balance after amounts returned for schools and Confederate soldiers' .....	\$596,214.98
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For the support and care of the insane, deaf, dumb and blind, and indigent soldiers of the several counties, the State paid out the following amounts in 1905:

In Blind Institution.....	\$ 60,000.00
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In Deaf and Dumb Institutions .....	42,500.00
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In Soldiers' Home.....	15,000.00
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In State Hospitals.....	281,000.00
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Making a total of.....	\$398,500.00
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Leaving a balance in the amount received from the counties for State purposes only.....	\$197,714.98
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For instance, to illustrate: Alamance, the first county on the list, in the Treasurer's report, received from the State for the benefit of its disabled Confederate soldiers.....

\$ 240.00
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For pensions to Confederate....	3,022.00
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On account of special appropriations for schools.....	2,431.66
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Support and care of its deaf, dumb and blind at Raleigh..	576.93
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Deaf and dumb at Morganton..	357.14
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Care of its soldiers in Home at Raleigh .....	\$ 381.33
For its insane at Goldsboro.....	321.60
For insane at Morganton.....	2,973.60
For insane at Raleigh.....	173.72

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Making the total amount received by the county of Alamance from the State Treasury for these purposes..... / \$10,477.98

Alexander, the next county on the list, received from the State in the year 1905:

For support and care of the deaf and dumb at Morganton .....	\$ 357.14
Soldiers in Home at Raleigh.....	127.11
Of insane at Morganton.....	1,699.20
For disabled soldiers.....	360.00
For pensions to soldiers .....	2,352.00
For schools on account of special school appropriation .....	2,282.48

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Making the total amount received by Alexander County from the State for these purposes in 1905 ..... \$7,177.93

These two counties pay to the State in taxes \$18,754.60 and receive from the State for the purposes indicated above \$17,655.91. Alamance pays to the State more than it receives back and Alexander pays less than it receives back; the two together paying to the State only \$1,098.69 more than they receive back.



## NATIONAL DEMOCRATIC PLATFORM.

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*(Adopted by the National Convention Held at St. Louis, Missouri, July 9, 1904.)*

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The Democratic party of the United States, in national convention assembled, declares its devotion to the essential principles of the Democratic faith, which brings us together in party communion.

Under these principles local self-government and national unity and prosperity were alike established. They underlaid our independence, the structure of our free republic, and every Democratic expansion from Louisiana to California and Texas to Oregon, which preserved faithfully in all the States the tie between taxation and representation. They yet inspirit the masses of our people, guarding jealously their rights and liberties, and cherishing their fraternity, peace and orderly development. They remind us of our duties and responsibilities as citizens, and impress upon us, particularly at this time, the necessity of reform and the rescue of the administration of government from the headstrong, arbitrary and spasmodic methods which distract business by uncertainty, and pervade the public mind with dread, distrust and perturbation.

### FUNDAMENTAL PRINCIPLES.

The application of these fundamental principles to the living issues of the day constitutes the first step toward the assured peace, safety and progress of our nation. Freedom of the press, of conscience and of speech; equality before the law of all citizens; right of trial by jury; freedom of the person defendant by the writ of habeas corpus; liberty of personal contract untrammelled by sumptuary laws; supremacy of the civil over military authority; a well-disciplined militia; separation of church and State; economy in expenditures; low taxes, that labor may be lightly burdened; prompt and sacred fulfillment of public and private obligations; fidelity to treaties; peace and friendship with all nations, entangling alliances with none; absolute acquiescence in the will of the majority, the vital principles of republics—these are doctrines which Democracy has established as proverbs of the nation, and they should be constantly invoked and enforced.

### ECONOMY OF ADMINISTRATION.

Large reductions can easily be made in the annual expenditures of the government without impairing the efficiency of any branch of the public service, and we shall insist upon the strictest economy and fru-

gality compatible with vigorous and efficient civil, military and naval administration as a right of the people too clear to be denied or withheld.

#### HONESTY IN THE PUBLIC SERVICE.

We favor the enforcement of honesty in the public service, and to that end a thorough legislative investigation of those executive departments of the government already known to teem with corruption, as well as other departments suspected of harboring corruption, and the punishment of ascertained corruptions without fear or favor or regard to persons. The persistent and deliberate refusal of both the Senate and House of Representatives to permit such investigation to be made demonstrates that only by a change in the executive and in the legislative departments can complete exposure, punishment and correction be obtained.

#### FEDERAL GOVERNMENT CONTRACTS WITH TRUSTS.

We condemn the action of the Republican party in Congress in refusing to prohibit an executive department from entering into contracts with convicted trusts or unlawful combinations in restraint of interstate trade. We believe that one of the best methods of procuring economy and honesty in the public service is to have public officials, from the occupant of the White House down to the lowest of them, return as nearly as may be to Jeffersonian simplicity of living.

#### EXECUTIVE USURPATION.

We favor the nomination and election of a President imbued with the principles of the Constitution, who will set his face sternly against executive usurpation of legislative and judicial functions, whether that usurpation be veiled under the guise of executive construction or existing laws or whether it take refuge in the tyrant's pleas of necessity or superior wisdom.

We favor the preservation, so far as we can, of an open door for the world's commerce in the Orient without unnecessary entanglement in Oriental and European affairs, and without arbitrary, unlimited, irresponsible and absolute government anywhere within our jurisdiction. We oppose, as fervently as did George Washington, an indefinite, irresponsible, discretionary and vague absolutism and a policy of colonial exploitation, no matter where or by whom invoked or exercised. We believe, like Thomas Jefferson and John Adams, that no government has a right to make one set of laws for those "at home" and another and a different set of laws, absolute in their character, for those "in the colonies." All men under the American flag are entitled to the protection of the institutions whose emblem the flag is; if they are inherently unfit for those institutions, then they are in-

herently unfit to be members of the American body politic. Wherever there may exist a people incapable of being governed under American laws, in consonance with the American Constitution, the territory of that people ought not to be part of the American domain.

We insist that we ought to do for the Filipinos what we have done for the Cubans, and it is our duty to make that promise now, and upon suitable guarantees of protection to citizens of our own and other countries resident there at the time of our withdrawal to set the Filipino people upon their feet, free and independent, to work out their own destiny.

The endeavor of the Secretary of War, by pledging the government's endorsement for "promoters" in the Philippine Islands, to make the United States a partner in speculative exploitation of the archipelago, which was only temporarily held up by the opposition of Democratic Senators in the last session, will, if successful, lead to entanglements from which it will be difficult to escape.

#### TARIFF.

The Democratic party has been, and will continue to be, the constant opponent of that class of tariff legislation by which certain interests have been permitted, through congressional favor, to draw a heavy tribute from the American people. This monstrous perversion of those equal opportunities which our political institutions were established to secure, has caused what may once have been infant industries to become the greatest combinations of capital that the world has ever known. These special favorites of the government have, through trust methods, been converted into monopolies, thus bringing to an end domestic competition, which was the only alleged check upon extravagant profits made possible by the protective system. These industrial combinations, by the financial assistance they can give, now control the policy of the Republican party.

We denounce protectionism as a robbery of the many to enrich the few, and we favor a tariff limited to the needs of the government economically, effectively and constitutionally administered, and so levied as not to discriminate against any industry, class or section, to the end that the burdens of taxation shall be distributed as equally as possible.

We favor a revision and a gradual reduction of the tariff by the friends of the masses and for the common weal, and not by the friends of its abuses, its extortions and its discriminations, keeping in view the ultimate end of "equality of burdens and equality of opportunities," and the constitutional purpose of raising a revenue by taxation, to-wit, the support of the Federal government in all its integrity and virility, and in simplicity.

## TRUSTS AND UNLAWFUL COMBINATIONS.

We recognize that the gigantic trusts and combinations designed to enable capital to secure more than its just share of the joint product of capital and labor, and which have been fostered and promoted under Republican rule, are a menace to beneficial competition and an obstacle to permanent business prosperity. A private monopoly is indefensible and intolerable.

Individual equality of opportunity and free competition are essential to a healthy and permanent commercial prosperity; and any trust, combination or monopoly tending to destroy these by controlling production, restricting competition or fixing prices and wages, should be prohibited and punished by law.

We especially denounce rebates and discriminations by transportation companies as the most potent agency in promoting and strengthening these unlawful conspiracies against trade.

We demand an enlargement of the powers of the interstate commerce commission, to the end that the traveling public and shippers of this country may have prompt and adequate relief from the abuses to which they are subjected in the matter of transportation. We demand a strict enforcement of existing civil and criminal statutes against all such trusts, combinations and monopolies; we demand the enactment of such further legislation as may be necessary effectually to suppress them.

Any trust or unlawful combination engaged in interstate commerce which is monopolizing any branch of business or production should not be permitted to transact business outside of the State of its origin, whenever it shall be established in any court of competent jurisdiction that such monopolies exist. Such prohibition should be enforced through comprehensive laws to be enacted on the subject.

## CAPITAL AND LABOR.

We favor the enactment and administration of laws giving labor and capital impartially their just rights. Capital and labor ought not to be enemies. Each is necessary to the other. Each has its rights, but the rights of labor are certainly no less "vested," no less "sacred" and no less "inalienable" than the rights of capital.

We favor arbitration of differences between corporate employers and their employees, and a strict enforcement of the eight-hour day law on all government work.

We approve the measure which passed the United States Senate in 1896, but which a Republican Congress has ever since refused to enact, relating to contempts in Federal courts and providing for trial by jury in cases of indirect contempt.



## CONSTITUTIONAL GUARANTEES.

Constitutional guarantees are violated whenever any citizen is denied the right to labor, acquire and enjoy property or reside where interest or inclination may determine. Any denial thereof by individuals, organizations or governments should be summarily rebuked and punished.

We deny the right of any executive to disregard or suspend any constitutional privilege or limitation. Obedience to the laws and respect for their requirements are alike the supreme duty of the citizen and the official.

The military should be used only to support and maintain the law. We unqualifiedly condemn its employment for the summary banishment of citizens without trial or for the control of elections.

## WATER-WAYS.

We favor liberal appropriations for the care and improvement of the water-ways of the country. When any water-way like the Mississippi River is of sufficient importance to demand the special aid of the government, such aid should be extended with a definite plan of continuous work until permanent improvement is secured.

We oppose the Republican policy of starving home development in order to feed the greed for conquest and the appetite for national "prestige" and display of strength.

## RECLAMATION OF ARID LANDS AND DOMESTIC DEVELOPMENT.

We congratulate our western citizens upon the passage of the measure known as the Newlands Irrigation Act for the irrigation and reclamation of the arid lands of the West—a measure framed by a Democrat, passed in the Senate by a non-partisan vote, and passed in the House against the opposition of almost all the Republican leaders by a vote the majority of which was Democratic. We call attention to this great domestic measure, broad and comprehensive as it is, working automatically throughout all time without further action of Congress, until the reclamation of all the lands in the arid West capable of reclamation is accomplished, reserving the lands reclaimed for home-seekers in small tracts and rigidly guarding against land monopoly, as an evidence of the policy of domestic development contemplated by the Democratic party, should it be placed in power.

## THE ISTHMIAN CANAL.

The Democracy, when entrusted with the power, will construct the Panama canal speedily, honestly and economically, thereby giving to our people what Democrats have always contended for, a great inter-oceanic canal, furnishing shorter and cheaper lines of transport-

tation, and broader and less trammelled trade relations with the other peoples of the world.

#### AMERICAN CITIZENSHIP.

We pledge ourselves to insist upon the just and lawful protection of our citizens at home and abroad, and to use all proper measures to secure for them, whether native-born or naturalized, and without distinction of race or creed, the equal protection of laws, and the enjoyment of all rights and privileges open to them under the covenants of our treaties of friendship and commerce; and if under existing treaties the right of travel and sojourn is denied to American citizens or recognition is withheld from American passports by any countries on the ground of race or creed, we favor the beginning of negotiations with the governments of such countries to secure by new treaties the removal of these unjust discriminations.

We demand that all over the world a duly authenticated passport issued by the government of the United States to an American citizen shall be proof of the fact that he is an American citizen and shall entitle him to the treatment due him as such.

#### ELECTION OF SENATORS BY THE PEOPLE.

We favor the election of United States Senators by direct vote of the people.

#### STATEHOOD FOR TERRITORIES.

We favor the admission of the Territory of Oklahoma and the Indian Territory. We also favor the immediate admission of Arizona and New Mexico as separate States, and territorial government for Alaska and Porto Rico.

We hold that the officials appointed to administer the government of any territory, as well as the district of Alaska, should be *bona fide* residents at the time of their appointment of the territory or district in which their duties are to be performed.

#### CONDEMNATION OF POLYGAMY.

We demand the extermination of polygamy within the jurisdiction of the United States, and the complete separation of church and state in political affairs.

#### MERCHANT MARINE.

We denounce the ship subsidy bill recently passed by the United States Senate as an iniquitous appropriation of public funds for private purposes, and a wasteful, illogical and useless attempt to overcome by subsidy the obstructions raised by Republican legislation to the growth and development of American commerce on the sea.

We favor the upbuilding of a merchant marine without new or additional burdens upon the people and without bounties from the public treasury.

#### RECIPROCITY.

We favor liberal trade arrangements with Canada, and with peoples of other countries where these can be entered into with benefit to American agriculture, manufactories, mining or commerce.

#### MONROE DOCTRINE.

We favor the maintenance of the Monroe Doctrine in its full integrity.

#### ARMY.

We favor the reduction of the army and of army expenditures to the point historically demonstrated to be safe and sufficient.

#### PENSIONS—OUR SOLDIERS AND SAILORS.

The Democracy would secure to the surviving soldiers and sailors and their dependents generous pensions, not by an arbitrary executive order, but by legislation which a grateful people stand ready to enact.

Our soldiers and sailors who defend with their lives the Constitution and the laws have a sacred interest in their just administration. They must therefore share with us the humiliation with which we have witnessed the exaltation of court favorites, without distinguished service, over the scarred heroes of many battles, or aggrandizement by executive appropriations out of the treasuries of prostrate peoples, in violation of the act of Congress which fixes the compensation of allowances of the military officers.

#### CIVIL SERVICE.

The Democratic party stands committed to the principle of civil service reform, and we demand their honest, just and impartial enforcement.

We denounce the Republican party for its continued and sinister encroachments upon the spirit and operation of civil service rules, whereby it has arbitrarily dispensed with examinations for office in the interest of favorites, and employed all manner of devices to overreach and set aside the principles upon which the civil service is based.

#### SECTIONAL AND RACE AGITATION.

The race question has brought countless woes to this country. The calm wisdom of the American people should see to it that it brings

no more. To revive the dead and hateful race sectional animosities in any part of our common country means confusion, distraction of business, and the re-opening of wounds now happily healed.

North, South, East and West have but recently stood together in line of battle from the walls of Pekin to the hills of Santiago, and as sharers of a common glory and a common destiny we should share fraternally the common burdens.

We therefore deprecate and condemn the Bourbon-like selfish and narrow spirit of the recent Republican convention at Chicago, which sought to kindle anew the embers of racial and sectional strife, and we appeal from it to the sober common sense and patriotic spirit of the American people.

#### THE REPUBLICAN ADMINISTRATION.

The existing Republican administration has been spasmodic, erratic, sensational, spectacular and arbitrary. It has made itself a satire upon the Congress, the courts, and upon the settled practices and usages of national and international law.

It summoned the Congress in hasty and futile extra session and virtually adjourned it, leaving behind in its flight from Washington uncalled calendars and unaccomplished tasks.

It made war, which is the sole power of Congress, without its authority, thereby usurping one of its fundamental prerogatives. It violated a plain statute of the United States as well as plain treaty obligations, international usages and constitutional law, and has done so under pretense of executing a great public policy which could have been more easily effected lawfully, constitutionally and with honor.

It forced strained and unnatural constructions upon statutes, usurping judicial interpretation, and substituting for congressional enactment executive decree.

It withdrew from the Congress its customary duties of investigation which have heretofore made the representatives of the people and the States the terror of evil-doers.

It conducted a secretive investigation of its own, and boasting of a few sample convicts it threw a broad coverlet over the bureaus which had been their chosen field of operative abuses, and kept in power the superior officers under whose administration the crimes had been committed.

It ordered assault upon some monopolies, but paralyzed by a first victory it flung out the flag of truce and cried out that it would not "run amuck," leaving its future purposes beclouded by its violations.

#### APPEAL TO THE PEOPLE.

Conducting the campaign upon this declaration of our principles and purposes, we invoke for our candidates the support, not only of



our great and time-honored organization, but also the active assistance of all of our fellow-citizens who, disregarding past differences, desire the perpetuation of our constitutional government as framed and established by the fathers of the republic.

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## PLATFORM OF THE REPUBLICAN PARTY, 1904.

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*(Adopted by National Convention at Chicago, June 22, 1904.)*

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Fifty years ago the Republican party came into existence dedicated among other purposes to the great task of arresting the extension of human slavery. In 1860 it elected its first President. During 24 of the 44 years which have elapsed since the election of Lincoln the Republican party has held complete control of the government. For 18 more of the 44 years it has held partial control through the possession of one or two branches of the government, while the Democratic party during the same period has had complete control for only two years. This long tenure of power by the Republican party is not due to chance. It is a demonstration that the Republican party has commanded the confidence of the American people for nearly two generations to a degree never equaled in our history, and has displayed a high capacity for rule and government which has been made even more conspicuous by the incapacity and infirmity of purpose shown by its opponents.

### CONDITIONS IN 1897.

The Republican party entered upon its present period of complete supremacy in 1897. We have every right to congratulate ourselves upon the work since then accomplished, for it has added luster even to the traditions of the party which carried the government through the storms of civil war.

We then found the country after four years of Democratic rule in evil plight, oppressed with misfortune and doubtful of the future. Public credit had been lowered, the revenues were declining, the debt was growing, the administration's attitude toward Spain was feeble and mortifying, the standard of values was threatened and uncertain labor was unemployed, business was sunk in the depression which had succeeded the panic of 1893, hope was faint and confidence was gone.

We met these unhappy conditions vigorously, effectively and at once.

## THE TARIFF LAW.

We replaced a Democratic tariff law based on free trade principles and garnished with sectional protection by a consistent protective tariff, and industry, freed from oppression and stimulated by the encouragement of wise laws, has expanded to a degree never before known, has conquered new markets, and has created a volume of exports which has surpassed imagination. Under the Dingley tariff labor has been fully employed, wages have risen, and all industries have revived and prospered.

We firmly established the gold standard which was then menaced with destruction. Confidence returned to business, and with confidence an unexampled prosperity.

## REVENUES.

For deficient revenues, supplemented by improvident issues of bonds, we gave the country an income which produced a large surplus and which enabled us only four years after the Spanish war had closed to remove over \$100,000,000 of annual war taxes, reduce the public debt, and lower the interest charges of the government.

## THE PUBLIC CREDIT RESTORED.

The public credit, which had been so lowered that in time of peace a Democratic administration made large loans at extravagant rates of interest in order to pay current expenditures, rose under Republican administration to its highest point and enabled us to borrow at 2 per cent. even in time of war.

## CUBA.

We refused to palter longer with the miseries of Cuba. We fought a quick and victorious war with Spain. We set Cuba free, governed the island for three years, and then gave it to the Cuban people with order restored, with ample revenues, with education and public health established, free from debt, and connected with the United States by wise provisions for our mutual interests.

## PORTO RICO.

We have organized the government of Porto Rico, and its people now enjoy peace, freedom, order and prosperity.

## THE PHILIPPINES.

In the Philippines we have suppressed insurrection, established order, and given life and property a security never before known there. We have organized civil government, made it effective and strong in administration, and have conferred upon the people of those islands the largest civil liberty they have ever enjoyed.

By our possession of the Philippines we were enabled to take prompt and effective action in the relief of the legations at Peking and a decisive part in preventing the partition and preserving the integrity of China.

#### THE ISTHMIAN CANAL.

The possession of a route for an isthmian canal, so long the dream of American statesmanship, is now an accomplished fact. The great work of connecting the Pacific and Atlantic by a canal is at last begun, and it is due to the Republican party.

#### THE ARID LANDS.

We have passed the law which will bring the arid lands of the United States within the area of cultivation.

#### THE ARMY AND NAVY.

We have organized the army and put it in the highest state of efficiency.

We have passed laws for the improvement and support of the militia.

We have pushed forward the building of the navy, the defense and protection of our honor and our interests.

Our administration of the great departments of the government has been honest and efficient, and wherever wrong-doing has been discovered the Republican administration has not hesitated to probe the evil and bring the offenders to justice without regard to party or political ties.

#### THE GREAT CORPORATIONS.

Laws enacted by the Republican party which the Democratic party failed to enforce and which were intended for the protection of the public against the unjust discrimination of the illegal encroachment of vast aggregations of capital, have been fearlessly enforced by a Republican President, and new laws insuring reasonable publicity as to the operation of great corporations and providing additional remedies for the prevention of discrimination in freight rates have been passed by a Republican Congress.

In this record of achievement during the past eight years may be read the pledges which the Republican party has fulfilled. We promise to continue these policies, and we declare our constant adherence to the following principles:

#### PROTECTION TO AMERICAN INDUSTRIES.

Protection which guards and develops our industries is a cardinal policy of the Republican party. The measure of protection should

always at least equal the difference in the cost of production at home and abroad. We insist upon the maintenance of the principle of protection, and, therefore, rates of duty should be readjusted only when conditions have so changed that the public interest demands their alteration; but this work cannot safely be committed to any other hands than those of the Republican party. To entrust it to the Democratic party is to invite disaster. Whether, as in 1892, the Democratic party declares the protective tariff unconstitutional, or whether it demands tariff reform or tariff revision, its real object is always the destruction of the protective system. However specious the name, the purpose is ever the same. A Democratic tariff has always been followed by business adversity: a Republican tariff by business prosperity. To a Republican Congress and a Republican President this great question can be safely entrusted. When the only free-trade country among the great nations agitates a return to protection the chief protective country should not falter in maintaining it.

#### FOREIGN MARKETS EXTENDED.

We have extended widely our foreign markets, and we believe in the adoption of all practicable methods for their further extension, including commercial reciprocity wherever reciprocal arrangements can be effected consistent with the principles of protection and without injury to American agriculture, American labor or any American industry.

#### THE GOLD STANDARD.

We believe it to be the duty of the Republican party to uphold the gold standard and the integrity and value of our national currency. The maintenance of the gold standard, established by the Republican party, cannot safely be committed to the Democratic party which resisted its adoption and has never given any proof since that time of belief in it or fidelity to it.

#### AMERICAN SHIPPING.

While every other industry has prospered under the fostering aid of the Republican legislation, American shipping engaged in foreign trade in competition with the low cost of construction, low wages, and heavy subsidies of foreign governments has not for many years received from the government of the United States adequate encouragement of any kind. We, therefore, favor legislation which will encourage and build up the American merchant marine, and we cordially approve the legislation of the last Congress which created the merchant marine commission to investigate and report upon this subject.



A navy powerful enough to defend the United States against any attack, to uphold the Monroe doctrine, and watch over our commerce, is essential for the safety and the welfare of the American people. To maintain such a navy is the fixed policy of the Republican party.

#### CHINESE LABOR.

We cordially approve the attitude of President Roosevelt and Congress in regard to the exclusion of Chinese labor, and promise a continuance of the Republican policy in that direction.

#### CIVIL SERVICE.

The civil service law was placed on the statute books by the Republican party, which has always sustained it, and we renew our former declarations that it shall be thoroughly and honestly enforced.

#### THE SOLDIERS AND SAILORS.

We are always mindful of the country's debt to the soldiers and sailors of the United States and we believe in making ample provision for them and in the liberal administration of the pension laws.

#### ARBITRATION.

We favor the peaceful settlement of international differences by arbitration.

#### PROTECTION OF CITIZENS ABROAD.

We commend the vigorous efforts made by the administration to protect American citizens in foreign lands, and pledge ourselves to insist upon the just and equal protection of all our citizens abroad. It is the unquestioned duty of the government to procure for all our citizens, without distinction, the rights of travel and sojourn in friendly countries, and we declare ourselves in favor of all proper efforts tending to that end.

#### THE ORIENT.

Our great interests and our growing commerce in the Orient render the condition of China of high importance to the United States. We cordially commend the policy pursued in that direction by the administrations of President McKinley and President Roosevelt.

#### THE ELECTIVE FRANCHISE.

We favor such congressional action as shall determine whether by special discriminations the elective franchise in any State has been unconstitutionally limited, and if such is the case, we demand that representation in Congress and in the electoral colleges shall be pro-

portionately reduced as directed by the Constitution of the United States.

#### COMBINATIONS OF CAPITAL AND OF LABOR.

Combinations of capital and of labor are the results of the economic movement of the age, but neither must be permitted to infringe upon the rights and interests of the people. Such combinations, when lawfully formed for lawful purposes, are alike entitled to the protection of the laws, but both are subject to the laws and neither can be permitted to break them.

#### OUR LAMENTED PRESIDENT.

The great statesman and patriotic American, William McKinley, who was re-elected by the Republican party to the Presidency four years ago, was assassinated just at the threshold of his second term. The entire nation mourned his untimely death and did that justice to his great qualities of mind and character which history will confirm and repeat.

#### PRESIDENT ROOSEVELT.

The American people were fortunate in his successor, to whom they turned with a trust and confidence which have been fully justified. President Roosevelt brought to the great responsibilities thus sadly forced upon him a clear head, a brave heart, an earnest patriotism, and high ideals of public duty and public service. True to the principles of the Republican party and to the policies which that party had declared, he has also shown himself ready for every emergency and has met new and vital questions with ability and with success.

The confidence of the people in his justice, inspired by his public career, enabled him to render personally an inestimable service to the country by bringing about a settlement of the coal strike, which threatened such disastrous results at the opening of winter in 1902.

Our foreign policy under his administration has not only been able, vigorous and dignified, but in the highest degree successful.

The complicated questions which arose in Venezuela were settled in such a way by President Roosevelt that the Monroe doctrine was signally vindicated and the cause of peace and arbitration greatly advanced.

His prompt and vigorous action in Panama, which we commend in the highest terms, not only secured to us the canal route, but avoided foreign complications which might have been of a very serious character.

He has continued the policy of President McKinley in the Orient, and our position in China, signalized by our recent commercial treaty with that empire, has never been so high.

He secured the tribunal by which the vexed and perilous question of the Alaskan boundary was finally settled.

Whenever crimes against humanity have been perpetrated which have shocked our people, his protest has been made and our good offices have been tendered, but always with due regard to international obligations.

Under his guidance we find ourselves at peace with all the world, and never were we more respected or our wishes more regarded by foreign nations.

Pre-eminently successful in regard to our foreign relations, he has been equally fortunate in dealing with domestic questions. The country has known that the public credit and the national currency were absolutely safe in the hands of his administration. In the enforcement of the laws he has shown not only courage, but wisdom which understands that to permit laws to be violated or disregarded opens the door to anarchy, while the just enforcement of the law is the soundest conservatism. He has held firmly to the fundamental American doctrine that all men must obey the law; that there must be no distinction between rich and poor, between strong and weak, but that justice and equal protection under the law must be secured to every citizen without regard to race, creed, or condition.

His administration has been throughout vigorous and honorable, high-minded and patriotic. We commend it without reservation to the considerate judgment of the American people.

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## THE TRUSTS AND COMBINES.

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Does the tariff foster the trusts and combinations?

Have these trusts and combines by reason of the shelter of the tariff inordinately advanced the prices of their products?

Do the trusts sell cheaper to foreigners than to our own people?

If the answer to these questions is in the affirmative, there can be no question but that the tariff should be revised.

It has been conclusively shown in the chapter on Export Prices that the trusts are selling cheaper abroad than here, so that question is answered in the affirmative and need not be further considered.

### THE TARIFF FOSTERS TRUSTS.

The evidence is overwhelming that the present tariff law has fostered trusts, as will be seen from the following:

In Moody's Manual of Industrial and Miscellaneous Securities for 1900, an acknowledged authority on the organization of corporations,

is given in the preface, pages 51-53, the capitalization of industrial corporations, incorporated prior to January 1, 1898, and from that date to January, 1900, is given as follows:

INDUSTRIAL CORPORATIONS ORGANIZED IN THE UNITED STATES. MANUFACTURING—IRON, STEEL, METALS AND MISCELLANEOUS.

Prior to January 1, 1898, total all States, \$811,161,300. From January 1, 1898, to January, 1900, total all States, \$5,059,309,911; an increase of over 600 per cent. in two years. Do not those figures conclusively show that the Dingley tariff law fostered trusts, or how can such an enormous increase of those corporations immediately following its enactment which are protected by the tariff, be explained?

The evidence is irresistible that capital, urged on by trust promoters, seeing the enormous profits possible by the virtual monopoly granted by the tariff law, also saw that if the manufacturing plants in these protected industries could be consolidated under one management and thus prevent competition between them in the United States, that the control of their products and the control of prices was also possible. In fact, monopolies could be created and the consumers be plundered. In other words, the tariff having in a great measure eliminated competition from abroad, through imports, the trusts have also eliminated competition at home through combinations.

In the United States Statistical Abstract, 1905, on page 541, is given the value per capita of the "leading classes of necessary articles of daily consumption from July 1, 1860, to January 1, 1906," from which the following is taken:

	Metals.	Clothing.	Miscellaneous.
On July 1, 1897.....	\$11,642....	\$13,808....	\$13,288
On January 1, 1906.....	17,141....	19,313....	18,809
Increased cost per capita, per cent..	47. ....	40. ....	53.

This shows an average increase in prices since the trusts have been organized of about 47 per cent., which is very close to the average rate of duty collected by the government on all imports for the year 1904, which was 48.78 per cent. But this percentage must not be confounded with the average tax imposed by all the tariff schedules, which exceeds 50 per cent., and on manufactured products averages over 70 per cent.

As importers cannot import foreign products without paying freight, costs and import duties, there is nothing to prevent the trusts charging very nearly what the imported goods can be sold for here. All that was necessary was to eliminate competition among the manufacturers in the United States, and that has been accomplished by the organization of the trusts and combines. That the trusts have thus increased their profits, to a great extent, is shown by the increased



price they are obtaining for their products since the present tariff bill became a law in 1897.

Do not these facts and figures answer affirmatively the three questions asked above, and can there be any doubt that the passage of the Dingley act not only fostered trusts, but protects them in advancing prices and has allowed them to sell cheaper abroad than at home? Therefore, why should the present tariff law not be revised to at least the extent of reducing the trust protection so that resumption of competition from abroad will compel a reduction of trust prices on necessities?

#### TRUSTS INCORPORATED AND UNINCORPORATED.

All the trusts are not incorporated companies; there are innumerable price and rate-fixing agreements, profit-sharing pools, selling or buying agencies, product-restricting agreements, etc., of which the Beef Trust is a notorious example. There are, however, 287 industrial combinations or trusts incorporated, of which 168 marked in the table of trusts with an X enjoy direct tariff benefits in more or less degree, and 38 others marked with an asterisk probably receive some benefit from the tariff. The products of most of the remaining trusts are on the tariff list, but their protection is only nominal. Of this list, 21 derive their monopoly chiefly from patent rights, and 28 are based on municipal or other franchises, rights-of-way, etc.; 19 are based on control of coal and other lands, mines, ore deposits, etc., exclusively. The balance of the unprotected trusts have in most cases some other element of monopoly which contributes to their strength. When the element of monopoly is small the general financial standing of the trust is weak in nearly all cases.

The table of trusts in the appendices also includes, besides industrial combinations, the large security-holding (but not operating) companies in the gas, electric light, electric and steam railroad industries. Hence a security-holding company, or "trust," such as the Bay State Gas Company, is included in the list, but the Consolidated Gas Company of New York is omitted. The many consolidated transportation and other franchise corporations not embraced in this list, such as railroad, traction, lighting and water combinations, would aggregate in capitalization many billions of dollars. The list, however, is limited to what are popularly known as "industrial trusts," and are all consolidations or absorptions of one kind or another.

## THE TARIFF AND TRUSTS.

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The protective tariff has been acknowledged by one of its principal beneficiaries, Mr. Havemeyer, president of the Sugar Trust, to be the "mother of trusts," and as that statement is pretty near the truth, it seems desirable to treat the tariff and trust questions under one head.

### DEMOCRATIC PLATFORM ON TARIFF AND TRUSTS.

The Democratic position on the tariff issue, as declared in the last national platform, was:

"The Democratic party has been and will continue to be the consistent opponent of that class of tariff legislation by which certain interests have been permitted through Congressional favor to draw heavy tribute from the American people. This monstrous perversion of those equal opportunities which our political institutions were established to secure has caused what may once have been infant industries to become the greatest combinations of capital that the world has ever known. These especial favorites of the government have, through trust methods, been converted into monopolies, thus bringing to an end domestic competition which was the only alleged check upon the extravagant profits made possible by the protective system. These industrial combinations, by the financial assistance they can give, now control the policy of the Republican party. We denounce protection as a robbery of the many to enrich the few; and we favor a tariff limited to the needs of the government, economically administered, and so levied as not to discriminate against any industry, class or section, to the end that the burdens of taxation shall be distributed as equally as possible.

"We favor a revision and a gradual reduction of the tariff by the friends of the masses and for the common weal, and not by the friends of its abuses, its extortions and its discriminations; keeping in view the ultimate ends of 'equality of burdens and equality of opportunities' and the constitutional purposes of raising a revenue by taxation, to-wit, the support of the Federal government in all its integrity and virility, but in simplicity."

The national platform of 1900 declared that:

"Tariff laws should be amended by putting the products of trusts upon the free list to prevent monopoly under the plea of protection. \* \* \* We condemn the Dingley tariff law as a trust-breeding measure, skilfully devised to give to the few favors which they do not deserve, and to place upon the many burdens which they should not bear."

There is no doubt, therefore, where the Democratic party stands on the tariff and the trusts. The Republican position is to "stand pat" and "continue to stand pat," or, as Speaker Cannon puts it, "Stand pat and pass the hat."

### REPUBLICAN PLATFORM ON TARIFF AND TRUSTS.

The last Republican national platform declared:

"We insist upon the maintenance of the principles of protection, and therefore rates of duty should be readjusted only when conditions have so changed that the public interest demands their alteration; but this work cannot be

safely committed to any other hands than those of the Republican party. To intrust it to the Democratic party is to invite disaster."

On the trusts the Republican platform declared:

"Combinations of capital and of labor are the results of the economic movement of the age; but neither must be permitted to infringe upon the rights and interests of the people. Such combinations, when lawfully formed for lawful purposes, are alike entitled to the protection of the laws, but both are subject to the laws, and neither can be permitted to break them."

#### TARIFF HISTORY—DISPROVES REPUBLICAN PLATFORM CONTENTION.

The Republican national platform claims that:

"A Democratic tariff has always been followed by business adversity; a Republican tariff by business prosperity."

That hoary Republican falsehood has been reiterated in every campaign since the war, but it remained for Senator Lodge to embalm it in a Republican platform, and to have it approved by a President of the United States.

#### HISTORICAL FACTS.

As the Republican party practically started on its career in 1856 and enacted no tariff legislation until 1861, it is not necessary to consider tariffs, or panics, prior to that date, though the historical facts show that, as a rule, prosperity followed low tariff and adversity followed high tariff previous to 1860.

Economic crises, with the accompanying tariff in different countries, were as follows:

United States.	England.	France.
.....	1866. Free trade.	.....
1869. Protection.	.....	.....
1873. Protection.	1873. Free trade.	1873. Protection.
.....	.....	1882. Protection.
1884. Protection.	.....	1884'-5. Protection.
1890. Protection.	1890. Free trade.	1890. Protection.
1893. Protection.	.....	1893. Protection.

These dates are taken from "Economical Crises," page 137, by Edward D. Jones, Professor of Economics, University of Wisconsin.

The table shows that all the panics in this country have occurred under Republican auspices and with the highest protective tariff, and in France the same conditions prevailed, while in free-trade England there has been only one panic since 1873, and that known as the "Baring panic"—which was purely financial.

## PANIC OF 1893.

The Republican claim that the panic of 1893 in this country was under a Democratic administration need only be answered by the statement that it was an entirely financial panic, for the Treasury of the United States was virtually bankrupt long before Mr. Cleveland was inaugurated. That is shown by the evidence submitted to Congress by the Committee on Ways and Means contained in H. R. Report No. 2621, 52d Congress, second session, pp. 62-3, where Charles Foster, Secretary of the Treasury, *admits in his testimony that a deficit existed* if the trust funds for the redemption of bank-notes and the fractional silver were eliminated, which items were not counted in the general fund under previous administrations. The bill for the revision of the tariff, known as the Wilson bill, did not become a law until August, 1894: so the reduction of the tariff duties cannot have been the cause of the panic, which began nearly two years previous.

*The evidence, therefore, is overwhelming that a Republican tariff has been followed by adversity on at least four occasions; and the great preponderance of evidence gives the same result in 1893.*

That the present "boom" will be followed by a panic is only a question of time. The present is a period of great inflation through the natural vast increase in the output of gold, and the further artificial increase through legislation. The national-bank currency has been inflated 10 per cent. by the act allowing the banks to issue notes up to the par value of the bonds deposited and the large increase in the number of banks under the act allowing national banks to be organized with \$25,000 capital. So that, whereas in 1896 the per capita circulation was \$21.42, in 1905 it had increased to \$31.08, or nearly 50 per cent. more than in 1896, and now exceeds \$32; thereby proving the Democratic contention of quantitative theory of money, and substantiating the demand made by the Democrats in 1896 that the currency of the country should be increased. It is not the tariff, therefore, which has produced the present "boom," but inflation of the currency and record crops in this country with a shortage of crops in other countries, and the consequent good demand for our products from England and elsewhere.

## IS PROTECTION PANIC-PROOF?

The argument used by Senator Gallinger, which was so carefully prepared by the paid officials of the Protective Tariff League, and published as a document in 1904 under the thrilling caption, "Protection is Panic-proof," is completely demolished by the facts above presented. Protection was certainly not panic-proof in 1873. Where was the God of Protection then? Perchance, like Baal of old, he



was on a journey, or, peradventure, he was sleeping. God knows that the Protectionists called upon Him loudly enough just then; for their plight was pitiable.

Perhaps Senator Gallinger, or other protectionist orators, may show to their own satisfaction that under the Democratic low tariff of 1846-1857 the country was in a continual panic; but the facts would belie them, for that period was one of remarkable prosperity. Then, as now, the gold output was enormously increased by the discoveries in California in 1847, and circulation of money per capita increased from \$6.79 in 1840 to \$15.81 in 1857. Immigration was on a large scale, as it is now. Crops were good here and poor abroad, as now. In fact, the country was so flourishing that the Secretary of the Treasury used to harp in his annual reports on "a new commercial era," as Secretary Shaw is now doing. Yet tariff rates at that time averaged less than 25 per cent. But prosperity was so great and the tariff produced so much revenue that the public debt was virtually extinguished, being reduced in 1857 to but 99 cents per capita; whereas on June 30, 1905, it was \$11.91, and exceeds that figure to-day. Hence, the tariff of 1857 was passed to reduce the revenue by reducing the tariff rates; but prosperity continued until the civil war came and disturbed all business conditions.

The conditions of that period of prosperity and low tariff are so well stated by the *New York Evening Post*, May 20, 1904, that it is worthy of repetition:

"With rare foresight, Mr. Blaine, in his 'Twenty Years in Congress,' anticipated the Senator from New Hampshire. The protectionists, he says, held that the boasted prosperity under the tariff of 1846 was abnormal in origin and character. It depended on a series of events exceptional at home and even more exceptional abroad—events which by the doctrine of probabilities would not be repeated for centuries. The protectionists maintain that from 1846 to 1857 the United States would have enjoyed prosperity under any form of tariff, 'but that the moment the exceptional conditions in Europe and America came to an end the country was plunged headlong into a disaster from which the conservative force of a protective tariff would in large part have saved it.' But that sort of talk will not go down with such men as John Sharpe Williams. They will insist on knowing why the exceptional conditions prior to 1857 cannot be ascribed to the low tariff of 1846. We all know that the poor crops in Europe and the big crops in this country in 1897 were due to protection; and why were not the Irish potato famine and the high price of wheat in the forties equally due to the Walker tariff?"

"The Blaine explanation of 1846 is an edged tool for the friends of protection. In fact, it shows us very clearly what caused the panic of 1873. The low tariff of 1846 was a death-dealing device, but it took eleven years to get in its work. Senator Gallinger declares that the Morrill tariff of 1861 was designedly a protective measure. The new policy was in operation during one of the greatest periods of speculation in our history. But in twelve years there was the worst collapse we had ever known. Certainly, protection was not panic-proof then, and how do we know it is going to be panic-proof now? Only seven years have passed since the Dingley law was enacted, whereas the experience of 1857 and 1873 teaches that we must wait eleven or twelve years to discover whether a tariff is a tonic or a poison. Senator Gallinger did well to say nothing about 1873, but he should have steered clear of 1857 also."

## TARIFF-TINKERING.

Until the Republicans and their side partners, the protected monopolists, succeeded in securing the enactment of a tariff law that gives them practically control of the American market, by prohibiting competition from abroad with nearly all articles of domestic manufacture, they did not regard tariff schedules as sacred as they do to-day. As showing the Republican record in this particular, the following list of acts from an official document issued by a joint congressional committee in 1898 convicts the Republican party of conspiracy with the protected monopolists to continually tinker the tariff in their interests. The acts are as follows:

Act of March 2, 1861.

Act of August 5, 1861.

Act to increase the duties on tea, coffee and sugar, December 24, 1861.

Act of July 14, 1862.

Act of March 3, 1863.

Joint Resolution of April 29, 1864, temporarily increasing duties.

Act of June 30, 1864, to increase duties.

Act of March 3, 1865, amending certain acts imposing duties on imports.

Act of May 16, 1866, imposing duties on live animals.

Act of June 1, 1866, to protect lumbermen.

Act of July 28, 1866.

Act of March 2, 1867.

Act of March 22, 1867.

Joint Resolution of March 2, 1867.

Act of March 25, 1867.

Act of March 26, 1867.

Act of March 29, 1867.

Act of February 3, 1868.

Act of February 19, 1869.

Act of February 24, 1869.

Act of July 14, 1870.

Act of December 22, 1870.

Act of January 30, 1871.

Act of March 5, 1872.

Act of April 5, 1872.

Act of May 1, 1872.

Act of June 6, 1872.

Act of June 10, 1872.

Act of March 3, 1873.

Act of May 9, 1874.

Act of June 3, 1874.

Act of June 18, 1874.

Act of June 22, 1874.

Another act of the same date.

Act of February 8, 1875.

Act of March 3, 1875.

On March 4, 1875, the Republican party lost control of legislation, and did not regain it until March 4, 1881. Then it resumed business for two years, as follows:

Joint Resolution of March 11, 1882.

Act of May 4, 1882.

Act of December 23, 1882.

Act of March 3, 1883.

Another act of the same date.

On March 4, 1883, the Republican party lost control of legislation until March 4, 1889, when it resumed business again, with the following result:

Act of February 18, 1890.

Act of June 10, 1890.

Act of October 1, 1890 (the McKinley law).

Act of December 15, 1890.

Act of March 3, 1893.

Again the Republican party lost control of legislation, but resumed on March 4, 1897, with these results:

Act of July 24, 1897 (the Dingley law).

Another act of the same date.

Thus it appears that in forty-five years the Republicans have changed or revised the tariff law forty-eight times. Deducting from forty-five years the sixteen years that the Republicans have not controlled legislation, shows that in twenty-nine years they tinkered with the tariff forty-eight times, or an average of nearly once every seven months.

But at last the Republicans and their allied friends and providers of fat campaign barrels—the protected monopolists—have secured a measure that has so fostered and fattened the corporations that they are quite willing to stand pat, especially as they have succeeded in defeating the reciprocity treaties, to provide for which the tariff schedules were purposely increased 20 per cent. beyond the rates that the protected monopolists named as sufficient to protect them from competition.

#### THE TARIFF LAW OF 1897, KNOWN AS THE DINGLEY TARIFF.

The present tariff law of 1897 is the most nearly prohibitive of any such fiscal legislation in existence, except, perhaps, the new German maximum tariff rates, which are intended to prohibit other countries from competing in the German market, or to compel reciprocal concessions for German products in foreign markets. The facts

about that law and the negotiations between the United States and Germany will be found on another page.

When the Republican members of the Committee on Ways and Means in 1897 undertook the work of revising the tariff, they carefully excluded the Democratic members from participating, by holding their meetings at the Arlington Hotel. Notices were sent to most of the great industrial firms and corporations—not many of them were trusts in those days—that if they would submit schedules covering their particular industry, such schedule would be carefully considered. The result was that the hotel was for months crowded with manufacturers, agents and attorneys representing special industries; and the committee incorporated in the present law the schedules they proposed, with but few changes.

#### HOW THE TARIFF RATES WERE INCREASED.

President McKinley was, of course, very much interested in the bill; and before it was acted upon by the full committee, it was submitted for his inspection. He demanded that a reciprocity clause with 20 per cent. concession be added, to allow reciprocity treaties with foreign nations to be negotiated, so that the drastic prohibitive rates might be modified with those nations who were willing to make similar reductions on exports from this country.

The ultra-protectionists who controlled a majority of the committee demurred to this proposition. But one of the arch fiends of protection was equal to the occasion, and proposed that a general increase of 20 per cent. on the rates on manufactured goods be added to the rates already agreed on, and that the reciprocity feature, sections 3 and 4, then be added. That is practically how the Dingley bill rates became so exorbitant, and virtually led to the organization of the industrial trusts that now monopolize the output and control the price of about all the necessities of life. The people who were to pay the taxes had no advocates there to defend their interests, for, as previously stated, the Democratic members of the committee were excluded from participating. After the bill had been completed a meeting of the whole committee was called together, and the bill was ordered reported by a party vote. A special rule was reported by the Committee on Rules, and debate limited to the least possible time; and the bill was passed.

#### THE PRESENT TARIFF SCHEDULES.

In the appendices will be found the principal paragraphs of the different schedules, with the rates of duty, and also the free list.

Section 7 provides that all articles not enumerated in the bill are taxable at the same rate as similar articles, and when composed of two or more materials, shall pay the rate levied on the article which it



most resembles, paying the highest rate of duty. That is called the blanket clause, so that nothing can escape paying duty unless it is on the free list.

#### RECIPROCITY DEFEATED.

Immediately after the passage of the Dingley bill there was a general trend towards monopoly by the favored interests, and the organization of trusts and combines at once began. The only fear was the reciprocity features of the law, which, if put in effect, would cut down trust profits 20 per cent. on such articles as were included in reciprocity treaties, and in the case of some products would induce large importation, unless the monopolists would be willing to reduce their prices below the price of foreign goods.

President McKinley, in good faith, appointed A. J. Kasson to negotiate reciprocity treaties; and he successfully did so with several nations. These treaties had to be ratified by the Senate, which requires a two-thirds majority. The protected monopolists were powerful enough to prevent the ratification of those treaties through their friends, the Republican Senators; so the tariff rates are still in force at 20 per cent. above what was originally declared by the protected interests themselves as sufficient for them to control the home market.

#### THE TRUSTS RAISE PRICES.

The defeat of the reciprocity treaties gave a new impetus to trust organization; and at once prices began to rise on manufactured products.

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## EXPORT AND DOMESTIC PRICES OF THE TRUSTS.

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### How the Trusts Sell Cheaper Abroad Than Here.

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In the campaign of 1902 and 1904 the Republicans persisted in denying, both in their campaign books for those years and in Congress, that the tariff-protected combines and associations, commonly called trusts, were selling their products cheaper in foreign countries than in the United States. The evidence, however, published in the Democratic campaign books for 1902 and 1904 so conclusively proved that the trusts were selling cheaper to foreigners than to our own people, that the Republican leaders in Congress have been forced since to admit the fact. These admissions indicate how closely the Republicans are allied with the trusts and protected monopolists, for

they now openly defend the plundering of the American people through the sale of trust products cheaper abroad than here by virtue of the restriction of competition by excessive import duties.

The first authoritative admission was made by Mr. Dalzell in a speech delivered in the House of Representatives on May 26, 1906, which was published in the *Congressional Record* on May 26, pages 7643-56. As Mr. Dalzell represents Pittsburg, Pennsylvania, in the American Congress, and is reputed to represent the Steel Trust, and is entirely competent to speak for the conditions in the iron and steel industry, his admission shows that the protectionists have concluded that it is no longer desirable to deny the actual conditions.

#### THE CHEAPEST IRON AND STEEL.

During that speech of Mr. Dalzell the following colloquy occurred:

MR. UNDERWOOD: Will the gentleman from Pennsylvania allow me to ask a question, not so much as to where we sell our goods, but how we make our goods? Can the gentleman from Pennsylvania name me any steel mill in the world that can make steel rails cheaper than they are made at Pittsburg? Can the gentleman from Pennsylvania name me any iron furnace in the world that can make pig-iron cheaper than at Birmingham?

MR. DALZELL: I think not; and I am coming to that question, if the gentleman will have patience, in a few minutes.

MR. UNDERWOOD: Do we need protection to protect us against the market that we can meet cheaper than anybody else?

MR. DALZELL: I will answer the gentleman's question in due course, if he will have the patience.

That question was never answered by Mr. Dalzell. To answer it truthfully would at once break down the whole theory of the protectionists, because if steel can be manufactured cheaper at Pittsburg than anywhere else, and iron in Birmingham cheaper than elsewhere, there can be no excuse for a protective tariff on such products, either to protect the manufacturers or the laboring men employed in those industries; for no one can successfully compete with them. But Mr. Dalzell continued the discussion by saying:

#### REPUBLICAN LEADERS ADMIT SELLING CHEAPER ABROAD THAN HERE.

Do we sell goods cheaper abroad than we do at home? Undoubtedly, sometimes—certain kinds of goods—the kind of goods the sale of which promises us a foothold in a foreign market, and to a limited extent, to-wit, to the extent of our surplus. Why? Well, for a number of reasons—all of them patent to business men. The first and foremost, because our home production exceeds our home consumption; and the excess of production must be sold in a foreign market or our factories and our workmen remain during a portion of each year idle.

This acknowledgment of the Democratic claim that the trusts are selling cheaper abroad than here of "certain kinds of goods"—those goods, of course, that the Steel Trust and other combines can manufacture cheaper here than similar goods can be manufactured abroad

—was followed by another astounding admission by Mr. Dalzell, which will be found on the same page of the *Record*, as follows:

MR. DALZELL: We have in this country, by reason of the skill of our workmen, by reason of our general prosperity, by reason of our inventive genius, by reason of our improved machinery, arrived at a period when we can make in this country on an average of nine months all that the country can consume in the year.

It is a plain business proposition whether or not we shall run the year round and sell all of our goods in any market, or whether we shall run nine months and close up our factories the other three. But that is not the only reason. Another reason is because, in order to gain a foothold in foreign markets, *the price must be regulated so as to meet the price in the foreign market with which we come in competition.* And another reason is because, in our contest for entrance into the world's markets, we have *to encounter a system of tariffs, of syndicates, of cartels, of bounties*, all of which were made for the purpose of excluding us from those markets.

This further acknowledgment that the trusts "can produce in this country, on an average of nine months, all that the country can consume in the year," shows that about one-fourth of trust products, or the products of three months of our manufacturing, must be sold abroad unless our factories and workshops are shut down for three months out of the twelve months; although further along in his speech Mr. Dalzell made a labored argument to prove that the amount of goods sold abroad cheaper than here only amounted to three-tenths of one per cent. of our total manufactures. He quotes Senator Gallinger, another ardent protectionist, and not a reliable statistician, as his authority. Senator Gallinger obtained his estimate from the partisan majority report of the Industrial Commission; but Hon. Thomas W. Phillips, Republican member of the Commission, made a supplemental report in which he very severely attacked the majority report for suggesting that three-tenths of one per cent. is a fair estimate of the amount sold cheaper abroad than here.

#### INDUSTRIAL COMMISSION REPORT.

But what did the Industrial Commission say on this subject? Its conclusions will be found as to export prices in Volume XIX, on pages 626-7, as follows:

In about 20 per cent of the cases covered by the Commission's returns the export prices have ruled lower than those charged to home consumers. The practice is quite common in all countries, etc.

That in view of the extent and protection of our manufactures, of our growing export trade and the sharp competition being encountered in foreign markets, of the practice by some exporters of making lower prices abroad than at home, and the desirability of protecting the consumer as well as the producer, without awaiting other legislation, the Congress provide for a commission to investigate and study the subject and to report as soon as possible *what concessions in duties may be made without endangering wages or employment at home*, what advantages abroad may be obtained therefor, and also to suggest measures best suited to gain the end desired.



Note that this non-partisan body, with a majority of its members Republican, does not say "whether concessions" shall be made, but "what concessions," for that some concessions must be made is evidently their opinion and recommendation. But the Republican party has paid no heed to the recommendations of the Commission of its own creation, although over seven years have elapsed.

Hon. Thomas W. Phillips did not sign this majority report, but in his supplemental report he said:

There are a large number of industries in which it is in evidence that the domestic price is much higher than the export price. I do not agree that the answers to inquiries addressed by the Commission to exporters indicate that the trusts are not chargeable with this practice to any serious extent. Out of 2,000 schedules of inquiries sent out, there were received only 416 replies, and only a very few of these replies came from corporations known popularly as trusts. (Vol. XIII, p. 726). The fact that about 75 answers indicated lower prices abroad than at home is significant, when it is noted that more than four-fifths of those addressed failed to answer, and that naturally those who are chargeable with such discrimination would be the ones who would decline to reply.

Several witnesses before the Commission on behalf of the trusts admitted that their export prices were lower than their domestic prices, but they contended that this was necessary in order to work off their surplus and to keep their establishments running full time, and the fact that their surplus products could also be worked off by lower prices at home, and that it is the tariff which encourages them to cause a domestic surplus *by restricting domestic consumption through high prices*.

Why did four-fifths fail or refuse to answer? Because they would evidently have been compelled to admit that they were selling their surplus products cheaper to foreigners than to our own people.

#### SENATOR ALDRICH ADMITS IT.

But we have another Republican, a much greater authority than Mr. Dalzell, who at least also acknowledges that the trusts sell cheaper abroad than here. When Senator Bacon of Georgia was making his great speech on the question of restricting the purchase of supplies for the Panama Canal to the products of this country, he proposed an amendment requiring that no greater price should be paid than similar supplies were being sold for export to foreign countries. This speech will be found in the *Congressional Record*, June 2, 1906, on pages 7943-6. During its delivery Senator Bacon yielded to Senator Aldrich of Rhode Island, the Republican leader of the Senate, who said:

It is a well-known fact, about which there is no dispute, that producers in the United States and in every one of the great industrial nations sell portions of their products from time to time at a less price to people of other countries than to their regular customers at home.

Thus we have the Republican leader in the Senate, and one of the Republican leaders of the House of Representatives, acknowledging



the truth of the Democratic contention that the trusts sell cheaper abroad than here. Of course, they tried to qualify their statement so as to take the sting out of it; but that was to be expected from such strong partisans and protectionists with close trust connections.

#### SECRETARY SHAW ALSO ADMITS IT.

On page 19 of the Republican National Campaign Book of 1904, Mr. Shaw, Secretary of the Treasury, who, of course, is the best Republican authority on the tariff, because such fiscal matters are under the control of his Department, is quoted as saying:

Our opponents lay much stress upon the fact that some American manufactures are sold abroad cheaper than at home. Our friends sometimes deny this, and they sometimes apologize for it, and a few in times past have downed our opponents in recommending a removal of tariff from all such articles. It is useless to deny, in my judgment, unwise to apologize, and a little short of foolishness to attempt to remedy the assumed evil in the manner proposed by the opposition.

#### BABCOCK GIVES EVIDENCE.

It will be remembered that Representative Babcock, who was chairman of the Republican Congressional Committee from 1894 to 1904, introduced a bill in the 57th Congress to revise the steel schedules, gave evidence in an interview in the *Washington Post*, September 21, 1901, which said:

One of the points which impressed me of the desirability of revising the steel schedule was information I obtained in Scotland of the placing of an order for 20,000 tons of American steel. When you stop to think that 20,000 tons of steel mean more than 1,000 carloads, it will not do to say that such an order placed abroad by our manufacturers is only their surplus product.

#### FURTHER EVIDENCE PRODUCED.

It would seem almost unnecessary to take more space to further prove that most of the trusts sell cheaper to foreigners than to our own people; but as at least three speeches were made in the House of Representatives denying the proposition, namely, by Grosvenor of Ohio, Boutell of Illinois, and Hepburn of Iowa, who substantially stated that we only sell shop-worn and obsolete goods cheaper in Europe than we are selling them at home, the following evidence is added:

#### STEEL RAILS SOLD 40 PER CENT. CHEAPER ABROAD THAN HERE.

Senator Bacon in his speech above quoted introduced two letters addressed to him personally, the writers of which, he stated, "were known to him personally and the accuracy of their statements can be most thoroughly and confidently vouched for." They are published in the *Congressional Record*, June 3, pp. 7944-5, and are as follows:

MACON, GA., February 23, 1904.

HON. A. O. BACON, *Washington, D. C.*

MY DEAR SIR: I beg to own receipt of yours of the 20th, and have carefully noted same.

I recall very distinctly my conversation with you on the subject of steel rails purchased by my company from the ——— company, and I take pleasure in giving you the details of the transaction, asking you, however, to refrain from mentioning the names of the parties.

The extension of our road, some 40 miles, was decided upon and cash provided for it early in the spring of 1901. Owing to the demand at that time for steel in all forms and the probability of an advance in price, it seemed wise to take up the matter of the purchase of the necessary rails at once. Inquiries, therefore, were addressed and mailed to all the leading steel-rail manufacturers in the country, asking for tenders on 60 miles of 70-pound steel rail delivered at Savannah or Macon, the point of delivery to be optional with us.

We received prompt responses, but there was practically no difference in the bids, the eastern rail mills contiguous to tide water quoting practically the same price delivered at Savannah and a correspondingly higher price for Macon delivery, the interior rail mills making a lower price for Macon delivery and a higher price for Savannah delivery. It was very evident to me that the field had been divided by the manufacturers and that no one of them would encroach upon the territory assigned to the others.

After endeavoring in vain to obtain better prices than those quoted, we finally accepted the bid of the ——— Steel Company, and placed our order with them for 5,618 tons of rail at \$29 per ton, based upon delivery at tide water. This would enable us to arrange our own freight rate to Savannah and effect some saving in the cost of the rails. The order was declined on these terms, the ——— Steel Company refusing to make any price f. o. b. mill, but insisting upon delivered price.

The matter was then taken up with interior mills, who were perfectly willing to make a price f. o. b. mill, but we were unable to obtain any concession in all-rail rates which would reduce the cost of the rail below that quoted by the ——— Steel Company for delivery at Savannah.

The whole transaction in the meantime had been handled by wire, owing to the demands of the ——— Steel Company that it be closed at once, as the price would be advanced.

I made one more effort. Some friends of mine were interested in a railroad project in Central America, and I broached the subject to the representative of the ——— Steel Company who had come here to close the matter with me. I told him that my friends had made some inquiry of me as to the cost of construction in that country, and I should like to know at what price he would sell me steel rails delivered at tide water for shipment to Honduras. He promptly quoted me \$20 per ton. Further inquiry developed the fact, however, that they would only load vessels chartered to a foreign port and that the charter should be an essential part of the contract. The wall was complete. There was nothing left for me to do but to place my order and to thank God it was no worse, as within two days thereafter steel rails advanced \$2 per ton.

Allowing a liberal amount for cost of delivery at tide water, which in this particular case would have been very small, we American citizens paid to this American industry \$33,000 in excess of what foreigners would have been compelled to pay. And \$33,000 would have put up a very handsome library filled with standard books on protection.

And this was a very small transaction—only 50 miles of railroad! Payments were cash, and we neither needed nor asked any concessions in the matter of time. Because we were Americans, interested in the development of a small section of our country, involving faith and sacrifices, we were compelled to pay out as a bonus in excess of \$600 per mile.

These are the facts. Unfortunately I had only the verbal quotation of the rails for foreign shipment, but I have no doubt that it was at least the top of the market, but I have the full correspondence in my files covering the rest of the transaction.

Owing to the necessity for prompt action, I was unable to secure prices from foreign rail makers, but it would be foolish to imagine that that avenue had not also been closed to us.

I have written you hurriedly, and may not have given you all the facts or as clearly as you desire. If there is still opportunity and I can further elucidate the matter, please advise me, and I shall take pleasure in doing so.

For purely business reasons I must ask you not to mention the names I have given. Personally I should like to see it given the widest publicity; and if the statement is of any use to you, I shall be glad, as an American and as a Republican.

Very truly, yours,

J. T. WRIGHT.

MR. BACON: I desire to say, with reference to the blanks in the letter, that, in accordance with the request of the writer, who, by the way, is from the State of Indiana, I have omitted the names; but I can furnish the names omitted to any Senator who desires to know them. I have omitted them from this reading in deference to the request of the writer, which he stated was for business reasons solely.

I will now ask the Secretary to read the next letter, which is from a gentleman who was then the president of the Mexican National Railroad, a railroad lying partly in Texas and partly in Mexico. That letter was addressed to me also. The caption is left off there.

The Secretary read as follows:

I am in receipt of your letter of the 20th. It would not be any embarrassment for me to give you the information you ask if it were possible for me to do so, but I believe it will not be practicable. I am so overwhelmed with work preparatory to getting my affairs in shape for leaving my present position with the company that I have no time to devote to anything outside of my official work, and to get any accurate information would require going back into the files of the purchasing agent's office, and the man who is familiar with this whole business is leaving for Mexico City to-day.

For a long time past all our purchases have been made on the basis of export prices, even though they have occasionally stopped in Texas, the competition being keen enough to produce this cut in prices in favor of the Texas shipments, so that it has been some time past since we have had any material differences, but those differences do exist and to an iniquitous extent. I use the word "iniquitous" because it certainly seems so to me when the citizens of the United States are required under the laws of the country to pay a higher price to the manufacturers than these same manufacturers are willing to make and sell to foreign people for. In 1902 I secured bids on steel rails for Mexico from United States mills at about \$24 delivered at Tampico, while the price I paid at the same time for rail for our road in Texas was \$28 at the mills.

I have understood that the Canadian Pacific has just bought a large lot of rails from the United States Steel Corporation at \$21. It is asserted and denied that the \$21 is for delivery at Montreal. If it is, the price at the mill would be about \$19, while the price for United States roads is still \$28 at the mills. I do not know this of my own knowledge, and it is merely current report.

When I saw that you had introduced a bill in Congress to inquire into these differences in prices, I was very much pleased that you had started the inquiry, and intended to write you a line expressing myself in that sense, but I was interrupted by one thing and another, and finally it escaped me. The source from which you are seeking to get this information will be official and thoroughly authentic, and it seems to me it should supply you with material quite sufficient to establish your case.

\* \* \* \* \*

With kind regards, I remain, yours, very truly,

W. G. RAOUL.



Senator Bacon said:

I want to call attention to the fact, the pertinent fact, disclosed in that letter. There is a railroad which, as I stated before, runs partly in Texas and partly in Mexico, and the statement made by the president of the road, for whose credibility I entirely vouch, a man beyond possibility of suspicion, to the contrary is that upon that part of his railroad in Texas he was charged \$28 at the mill for rails; that from the same company, at the same time, he was priced rails and furnished rails at \$24, delivered at Tampico. Allowing \$4 for freight, which is not unreasonable, and which I presume was about the freight, there was a difference of \$8 between the price charged by the same mill at the same time to the same consumer for rails for the same railroad, part of it lying in Texas and part of it lying in Mexico—\$28 for the rails to be used on the part of the road lying in Texas and \$20 for the rails to be used on the part of the road lying in Mexico.

Those concrete cases ought to satisfy even the greatest Republican unbeliever of the fact that the Steel Trust sells cheaper abroad than here. On May 1, 1906, the representatives of the Steel Rail Pool met—and it was published in all the morning newspapers of May 2—and “fixed the price” of steel rails at \$28 a ton for the next fiscal year, beginning July 1. That was a distinct case of a “combination in restraint of trade”; but neither the President nor his Attorney-General appear to have noticed it, for no attempt has been made to disrupt this illegal “pool” or combination.

SHIP-BUILDING MATERIAL ALSO SOLD CHEAPER ABROAD THAN HERE.

In the report of the Merchant Marine Commission of 1906, Volume III, page 77, the testimony of Mr. Nixon, a ship-builder known to all the world as a man of character and great experience, was a witness before the Commission composed of members of both Houses of Congress, at its hearing held in New York City, beginning on May 23, 1905, and gave evidence as follows:

#### EXPERT TESTIMONY ON DUMPING.

Senator MALLORY: There is another question. Some years ago we were shipping steel plates to the Clyde. As I remember, we had some very good evidence to that effect before Congress. Quite a large contract was made, and it was said that we were underselling the British steel-plate makers on their own ground. Do you remember whether or not that was correct? That was about four or five years ago.

MR. NIXON: I heard the statement at the time. I have no doubt that some contracts were placed in this country. I merely had to take the statement as I saw it printed. I had no connection with it.

Senator MALLORY: Since then these plates have gone up so that at the present time there is about one-third difference?

MR. NIXON: They are selling approximately at \$38 a ton here as against \$31 there. *But that is the price here for American materials. Undoubtedly American material can be bought in England very much more cheaply than here at present.*

Now, on page 79 of the same volume, Representative McDermott of New Jersey, questioning him:



Representative McDERMOTT: Your proposition is this: American plates can be sold abroad, or are sold abroad, for some business reason, at a less price than they are sold here?

MR. NIXON: Yes.

Representative McDERMOTT: Plates of equal quality, but of foreign manufacture, can be imported for less than you can buy domestic plates here?

MR. NIXON: Yes.

Before the same Commission and in the same report, on the volume and pages given, this further testimony was given by other witnesses, conclusively showing that our trusts and combines are persistently selling abroad cheaper than here, which is shown, as follows:

MR. A. A. MOSS (p. 1722, vol. III): I believe that the steel trust is responsible to a great extent in discriminating against the American shipbuilder in the way of prices, as plates and other material made by the American steel trust are shipped to England and sold at 25 to 33 per cent. less than they can be had in this country.

MR. MCGREGOR (p. 782, vol. II): I picked up a newspaper in the month of February and read as a piece of news that one of the independent steel companies, not in the trust, in Pennsylvania, had just sold 40,000 tons of steel rails to the Canadian Pacific Railroad at \$21.50 per ton. \* \* \* You remember that when Congressman Johnson was in the House he made the statement, as a steel manufacturer, that he could make steel rails at a profit of \$2 per ton and deliver them on the cars at Johnstown, on the Cambria Works, at \$18.50. That statement is on record in Congress, and it is not disputed. \* \* \* Oh, they did contradict him; but the question here for us, I think, gentlemen, is, Did they successfully contradict him? Because he was at that time one of the largest manufacturers of steel rails in the United States. As a manufacturer of steel rails, he simply took his books and showed that he paid higher wages than any other concern in the trust, and he was then a member of the steel trust. Those are facts on record.

The above statement was made before the Commission June 27, 1904.

Mr. James C. Wallace, of the American Shipbuilding Company, on June 28, 1904, gave this testimony before the Commission:

\* \* \* Recently one of our largest steel mills sold abroad 100,000 tons of steel plate. They delivered it, I understand, at Belfast at \$24 per ton. That would practically mean, with ocean rates as they are, \$22 a ton at tide water. They are charging us to-day at Pittsburg \$32 per ton. About four years ago our company took a contract from the American Navigation Company for building here on the lakes two 7,000-ton ocean ships. \* \* \* We took the contract at a price about equal to the price for which they could be built in England at that time. Steel was then very much lower than it is to-day. Steel pools had not then been formed.

Representative GROSVENOR: I want to know who bought the steel you speak of?

MR. WALLACE: The Harland & Wolfe Company.

Representative GROSVENOR: From whom did they buy it?

MR. WALLACE: The United States Steel Corporation.

Representative GROSVENOR: Do you know where it was shipped from?

MR. WALLACE: I do not. I presume from the Carnegie Steel Company. I do not know that, though, for a fact, as they have so many mills.

Representative GROSVENOR: And their present price to you is \$32?

MR. WALLACE: Thirty-two dollars a ton, Pittsburg.

Representative GROSVENOR: And that was laid down at Belfast at \$22?

MR. WALLACE: At \$24.

The CHAIRMAN: What does it cost to transport it from this country to Ireland?

MR. WALLACE: As near as I understand, the rates at the present time are \$2 a ton. That would be \$22 a ton at tide water. \* \* \*

Representative GROSVENOR: What is the freight from Pittsburg to tide water?

MR. WALLACE: I think it is about \$1.40 a ton. I am not positive about that, though.

Mayor JOHNSON: That would make \$11.40 difference between the Pittsburg price to you and the price abroad?

MR. WALLACE: Yes. I am not positive about just what that rate is. \* \* \*

Representative MINOR: Mr. Wallace, would there be the same difference between all material, that goes into your frames—your shapes, I suppose?

MR. WALLACE: Yes, sir.

Representative MINOR: Beams, rivets, etc.—would the same difference be maintained between the cost in Europe and the cost here?

MR. WALLACE: It is so to-day. Plates, beams, angles, and channels are now \$32 per ton, Pittsburg. \* \* \*

MR. GOULDEN: Is the price as low abroad on other things as it is on the plate?

MR. WALLACE: Yes, sir. Roll prices are the same at the present time.

Representative MINOR: Do they lay that down in England at the present time at that price?

MR. WALLACE: Twenty-four dollars a ton in Belfast. They made no secret of it. It was published in the papers at the time.

\* \* \* \* \*

The CHAIRMAN: I presume that in the instance you have cited as to the sale of steel abroad, you have taken the pains to verify it beyond peradventure?

MR. WALLACE: It was given to me by the assistant sales agent of the Carnegie Steel Company.

Senator PENROSE: Was any reason given for the difference in price?

MR. WALLACE: Nothing but that they wanted to keep their mills in operation.

Representative MINOR: I think, Mr. Chairman, that the testimony of Mr. Edwin S. Cramp is about the same as that of Mr. Wallace on prices abroad and here.

The CHAIRMAN: Yes; I think it is. I want to say what I think I am privileged to say, as chairman of this Commission, that, if the situation is as has been described, it is a great outrage. [Applause.]

MR. WALLACE: We have thought so for some time, and we have thought that in some way it ought to be remedied.

The above testimony of Mr. Wallace appears on pages 811, 812, 813, and 814, Volume II of the report.

Mr. James C. Wallace, of the American shipbuilding concern, on June 28, 1904, also gave this testimony:

Recently one of our largest steel mills sold abroad 100,000 tons of steel plate. They delivered it at Belfast at \$24 per ton. That would practically mean, with ocean rates as they are, \$22 a ton at tide water. They are charging us to-day at Pittsburg \$32 per ton.

That is a difference of \$10 in favor of the foreign shipbuilder.

#### EVIDENCE OF A PROTECTIONIST.

In Volume III, page 1893, of the Senate hearings before the Committee on Interstate and Foreign Commerce, is reported the evidence of Mr. Ramsay, president of the Wabash and Ann Arbor Railroad

and other railroads. That railroad runs through both American and Canadian territory, and Mr. Ramsay has purchased steel rails to be laid in both countries. He testified as follows:

Senator, if you will permit me, I will illustrate it by the rail question: Railroads in this country pay \$28 at the mill for rails. *The same maker will sell those rails to the Wabash for use in Canada at \$20 to \$21, provided they are used in Canada.* We dare not use them in the United States. Now, we say to the makers of the rails: "We can buy English rails, delivered on these shores, at \$20 a ton." Then Uncle Sam steps in and says: "Yes; you can do that, but if you buy those rails you will have to pay to Uncle Sam \$8 a ton tariff on them." On lumber there is a \$2 tariff rate, and that, Senator Dolliver, would add \$75 to your house in Kansas or Iowa, four times as much as the railroad rate will. The tariff duties on steel and all these things force the railroads to pay to the makers of steel these high rates. Why does Uncle Sam do that? Why did they do it originally? To promote industry and commerce. And that is why they should permit the railroads to make low rates on traffic going abroad and low rates between various communities on the long haul, to do the very same thing. The government pays a bonus in one case. In the other case they do not.

Mr. Ramsay is a Republican, and testified: "I am in favor of the tariff, and so are all railroad men."

#### EVIDENCE FROM THE "IRON AGE."

The *Iron Age* is a great trade journal of all matters connected with the iron and steel industry, and is of course in sympathy with the manufacturers who support it. In publishing news of the trade it represents, it says:

On November 12, 1903, the *Iron Age* quoted American bars in England at 82 shillings, or less than \$20 per ton, and in America at \$1.42½, or \$31.92 per ton. Thus the independent manufacturer of tin plate in America, who has to buy his bars of the steel trust, must pay more than 50 per cent. more for his chief raw material than is paid by his foreign competitor. This is "protection to home industries" with a vengeance.

The same number of the *Iron Age* tells us that American steel beams, plates, angles, channels, and rivet steel are being sold in Canada at from \$9 to \$11 per ton less than the prices charged here.

The *Iron Age* of December 17 enumerated a great number of articles of American make which sold largely in South Africa. Nearly all are sold there at prices far below those charged here. Thus it appears that shovels, which our shovel trust sells here at 90 cents each, are sold there at 36½ cents. This *Iron Age* also contains information showing that the United States Steel Corporation was, early in January, offering steel billets in Lanarkshire, England, at 75 shillings per ton. Deducting \$5 for freight and other transportation costs, the trust gets about \$14 per ton for billets for export, while its price to American consumers is \$23.

The *New York Journal of Commerce and Commercial Bulletin*, of July 30, 1904, said:

One of the most interesting features of the steel situation is an important sale of several thousand tons of steel plates for export, the price of £5 delivered at Newcastle-on-the-Tyne netting the mills about 90 cents per net ton, f. o. b. Pittsburg. It should be remembered that sales are made in the English



market by the gross ton; allowing \$3.50 freight rates and a slight allowance for insurance, this price would net the mills \$20 gross, or \$1.80 per net ton, or 90 cents per hundred, against \$1.60 per hundred for domestic business.

As that journal is looked upon as an authority by bankers and business men, its evidence cannot be disputed.

#### OFFICIAL REPORT.

In the August, 1906, report of the United States Bureau of Statistics on commerce and finance there is a report on the difference between the price at which iron and steel products are sold at home and in foreign markets, which shows that this Bureau, although notoriously run in the interest of the protection system, was compelled to note the fact of the advantage foreigners were getting by the "dumping" process of the trusts, and advise against its continuance. It also shows that what our merchant marine needs is cheaper materials rather than a direct subsidy of the people's money out of the United States Treasury. Mark what this government report says:

*The progress of work on shipbuilding in the United States has likewise been retarded, because makers of steel materials required a higher price from the American consumers than they did from the foreign consumers for substantially similar products. Of course, American exporters have to get foreign contracts in competition with foreign plate makers, who are excluded from our domestic market. In addition to this, American export plate makers are interested in preventing the establishment of plate manufacturing in their customer nations abroad, and to that end bid low enough to discourage foreign nations from entering the field for producing their own plate at home. The progress of domestic manufactures of iron and steel goods may likewise be handicapped by the sale of iron and steel in their manufactured state at so much lower a price to foreigners than to domestic consumers as to keep the American competitor out of foreign markets generally. The natural limit to such a policy of maintaining a higher level of prices for these materials at home than abroad is found in the restriction of domestic consumption and the import duty. If restriction of consumption at home does not operate to prevent the short-sighted policy of discrimination against domestic development of manufacturing industries, the other contingency is more or less sure to arise, namely, the demand for the reduction of the tariff on unfinished iron and steel, in order to equalize the opportunity of makers of finished products in foreign markets. To this policy the domestic consumer is usually ready to lend himself, thus making a powerful combination of interests to set limits to the rise of domestic prices of iron and steel materials.*

\* \* \* \* \*

Of the two policies open to iron and steel makers, the far-sighted one of keeping the domestic and foreign markets as near as possible on a par in the price of these materials of manufacture seems by far the wiser one to follow, both in the interest of a steadier course of prices, which means steadier consumption, and on account of the competition of manufacturers of finished goods with foreign manufacturers in the neutral markets of the world.

The other policy of maintaining prices to manufacturers at the highest level at home leaves little margin for experiment in seeking new markets, and restricts the application of iron and steel to additional uses at home. The depressing effects of an agitation for tariff revision to remedy this inequality are sure to cause a far greater business loss, not only to the country as a whole, but to the producers of iron and steel themselves, than is to be gained by selling at low prices abroad, which they cannot help, and at high prices at home,



which they can help. Nor can the home-market price be sustained beyond certain limits by export sales. Certain American manufacturers of steel materials tried this policy up to April, 1900. It resulted in a very positive shrinkage in domestic consumption at the then high rates. Farmers had ceased to purchase barbed wire for wire fences, retail hardware dealers had complained for months of diminished business in nails and wire. Jobbers had gotten in the way of doing a hand-to-mouth business on prices that had advanced from \$1.35 to \$3.20 in the course of a year. Hence the reduction of \$1 in April, 1900, became a necessity in order to keep the mills in operation.

*If steel rails, for example, sell at Pittsburg for \$35 per ton for months in succession for home consumption, while the foreign consumer is purchasing them for \$22 to \$24 per ton, the domestic market is sure to order no more than it is obliged to have for the time being.*

#### EVIDENCE FROM ABROAD.

Hon. John Sharpe Williams, from whose comprehensive speech of May 3, 1906, in Congress on this subject, much of this evidence is taken, entirely demolishes the arguments and figures of the Republicans who had preceded him—notably Representative Hepburn of Iowa—quoted from certain testimony given in 1904 before the Chamberlain Tariff Commission of Great Britain by members of English firms as to what prices American goods were sold at in Great Britain in comparison with prices prevailing in Pittsburg at the same time. The report of this Commission, says Mr. Williams, fairly bristles with such items as these:

Firm No. 312: "We have an offer this week of Siemens-Martin billets, made at Pittsburg, delivered *c. i. f. British port*, of 75 shillings per ton. This week's quotation for pig-iron for steel-making purposes (see *Iron Age*, Jan. 21, 1904) is about \$13 per ton at Pittsburg. The best-equipped works in Pittsburg sell at present raw material, wages and prices, manufactured pig-iron into Siemens-Martin open-hearth billets at \$6.50 per ton—that is, equal to \$19.50 per ton at Pittsburg. The selling (pool) price at Pittsburg to-day for open-hearth billets is \$24.

In other words, the Siemens-Martin billets, which were offered to firm No. 312 at 75 shillings per ton, were costing American consumers that same week \$24, or 98.36 shillings per ton—23.36 shillings more to the American than to the foreigners.

Firm No. 898: "Pig-iron from United States of America is imported into this country (England) below cost price here; our consumers are buying at 5 shillings per ton less than we can produce it, and the Americans are reported to be selling for export to England at a price equivalent to 8 shillings per ton lower than the price at which they are supplied in their own country."

## ROOSEVELT AND HIS SO-CALLED TRUST PROSECUTIONS.

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The Elkins Act went into effect February 19, 1903; and on March 17, 1903, Congress appropriated \$500,000 as a special fund for the enforcement of the anti-trust laws. There had been great trouble about money for that purpose under Roosevelt's predecessors. But since March, 1903, there has been no lack of funds—only honesty and efficiency have been lacking.

Commenting upon Mr. Moody's report, the *Providence Journal*, a Republican newspaper, says:

"The report of Attorney-General Moody, recently issued, covering everything done up to date, shows that the Roosevelt administration has a clean record of failure in all six of the cases brought under the Interstate Commerce Act and but three convictions under the Elkins Act; and this although a better understanding of these laws, due to the added length of time they have been on the statute-book, gives less excuse. Yet, for some reason, the administration has a record for 'doing things'! Unfortunately, many of the 'things' amount to nothing anyway, and might as well be left undone as to be so badly attempted. The latest 'fizzle' is the prosecution of the Standard Oil Company. 'After a series of conferences,' the news reports say the Attorney-General has decided not to indict John D. Rockefeller. He decides to indict the Standard Oil Company as a corporation, but the officials of the company are not to be 'inconvenienced.' He might as well indict the office chairs! The offenses charged against the company, for which they are to be called upon to answer, seem almost ludicrous.

"In the light of what Texas and Missouri and Kansas did when they set themselves to break up the monopoly which the Standard Oil was building up in their territory, it certainly seems as if the Federal Government could do more than collect a fine. Yet Mr. Moody and the President are content to proceed against the trust because of rebates received under the form of discounted storage charges from the Lake Shore Railroad. *If they get a conviction, the only punishment is a fine. And for this they pose as the stern, uncompromising foes of all monopolies and trusts!* If the responsible heads and owners of the Standard Oil Company cannot be reached, brought into court, compelled to plead to charges of conspiracy in restraint of trade, and extortion, and take their chances of going to jail, then the Federal Government should let them and their corporation alone, and make it clear that it is powerless against them. For it would be."

So with all these vaunted trust prosecutions there have been a few fines paid out of their millions on millions—and not felt. But the

trusts still subsist—are still doing business as before—and by monopolizing the business in which they are engaged fixing arbitrarily the price of that which they buy and of that which they sell.

The root of these trusts is the tariff trust, and this Roosevelt says he will not prosecute or even molest.

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## YEA AND NAY VOTES ON PARTY QUESTIONS.

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### REMARK.

Several important measures were passed at the last session of Congress without a division, because they did not involve party questions. This is true of the free alcohol bill, the consular reform bill, and the naturalization bill.

The Panama Canal bill involved only a question of engineering, and hence the votes on it were not divided on party lines. The same may be said of the pure-food bill—18 Democrats in the Senate voted for it, and only 4 against it. On the final passage of the Railroad Rate bill there was no ye and nay vote in the House of Representatives. (*Record*, June 11, 1906, p. 8781). Democrats and Republicans alike voted for the bill after the Senate had amended it, though the Democrats thought it still an imperfect bill. The Democrats also voted for the Statehood bill after it had been properly amended in the Senate. The meat inspection amendment to the Agricultural Appropriation bill was also passed without a ye and nay vote. The Democrats favored the inspection of meats, but insisted that the packers should pay the cost, while the Republicans insisted that the government should pay it, and provided for such payment by the law as it passed.

The real contest of the session occurred on the several amendments to the Railroad Rate bill, the Foraker amendment to the Statehood bill, the bill to pay the traveling expenses of the President, the resolution restricting the purchase of material and equipment for the construction of the Panama Canal to domestic products, the ratification of executive usurpation, and the amendment to the Urgent Deficiency bill abolishing the eight-hour law as to the Panama Canal. The votes on these party issues are given in detail below:

### ON THE BAILEY AMENDMENT TO THE RAILROAD RATE BILL.

On May 10, 1906, Senator Bailey of Texas offered the following amendment to the Railroad Rate bill (H. R. 12987):



"*Provided, however, That no order of the Commission shall be set aside or suspended by any preliminary or interlocutory decree or order of any court or judge.*" (*Cong. Record*, p. 6873).

On this amendment 20 Democrats and 3 Republicans (Burkett, Hale, and LaFollette) voted yea; while 47 Republicans and 7 Democrats (Clark of Montana, Culberson, Daniel, Morgan, Newlands, Pettus, and Taliaferro) voted nay. The vote in detail was as follows:

#### CULBERSON AMENDMENT TO RATE BILL.

On May 11, 1906 (*Cong. Record*, p. 6874), the following amendment was offered by Mr. Culberson of Texas:

"*Provided, That if such rate so fixed by the Commission is in violation of the rights of any party in interest secured by the Constitution of the United States, the party so affected may proceed against the Commission by appropriate proceedings in equity in any circuit court of the United States of competent jurisdiction to enjoin the enforcement of such order and rate: Provided further, That in determining what is a just and reasonable rate, no consideration shall be given fictitious stock issued by the carrier, or bonds or other obligations of the carrier, issued in excess of the fair value of its property: Provided further, That no circuit or other court of the United States, and no judge thereof in vacation, shall annul, restrain, enjoin, or otherwise interfere with the enforcement or operation of a rate and order established and made by the Interstate Commerce Commission provided for in this act until a petition, declaration, bill of complaint, or other proper statement of the cause of action is filed in said court or presented to said judge in vacation and the Interstate Commerce Commission is duly and legally served with a copy thereof at least ten days prior to any action taken by the court or judge thereon, and until said Commission has had opportunity within said ten days to answer by proper pleadings and present testimony in like form as the complainants therein: Provided further, That in such proceedings either party to the suit may appeal immediately and directly to the Supreme Court of the United States from the final decree therein, or from any interlocutory or preliminary restraining order therein, whether granted during the term or in vacation, by which the rate and order so established and made by the Commission is enjoined in whole or in part: Provided further, That said appeal must be taken within thirty days from the entry of such order or decree, and said case so appealed shall be advanced and take precedence in the Supreme Court of all cases of a different character therein: Provided further, That the circuit court, or the judge thereof, or the Supreme Court, or any justice thereof, may direct that the final decree or the interlocutory or preliminary restraining order, from which an appeal is taken, shall be stayed during the pendency of such appeal.*"

Twenty-eight Democrats and one Republican (LaFollette) voted for this amendment, while 50 Republicans voted against it.

#### LA FOLLETTE'S AMENDMENT TO SECURE DISINTERESTED ADJUDICATIONS.

On May 12, 1906 (*Cong. Record*, p. 6973), Senator LaFollette offered the following amendment to the Allison amendment which provided for a broad court review:

"Every Federal judge who owns any share of the capital stock or any of the bonds of a common carrier subject to the provisions of this act, or who accepts or uses, or who procures for the use of any person, any pass or privilege for



transportation withheld from any other person, is hereby disqualified and prohibited from hearing or passing upon as such judge any motion, question, application, proceeding, or from presiding at or hearing any trial arising under the provisions of this act."

Forty Republicans voted to lay this amendment on the table—to kill it—while 25 Democrats and 2 Republicans (Gallinger and LaFollette) voted against the motion to table it.

VOTE ON MORGAN AMENDMENT RELATING TO RIGHT TO SUE IN  
THE COURTS.

On May 14, Senator Morgan (Democrat) of Alabama offered the following amendment:

"That nothing in this act contained shall be construed as depriving any person who sues in his own right and name from instituting any suit under its provisions, or any other suit, at law or in equity, in any State court, or in any court of the United States, against any common carrier." (*Cong. Record*, p. 7017).

Twenty-one Democrats and 2 Republicans (Platt and Scott) voted for this amendment, while 40 Republicans and 1 Democrat (Clarke of Arkansas) voted against it.

LA FOLLETTE AMENDMENT REGARDING VALUATION OF RAILROAD  
PROPERTY.

On May 14, 1906, Senator LaFollette offered the following amendment:

"SEC. 7a. That section 19 of said act be amended by adding thereto a new section to be known as section 19a, and to read as follows:

"SEC. 19a. The Commission shall investigate and ascertain the fair value of the property of every railroad engaged in interstate commerce, as defined in this act, and used by it for the convenience of the public. For the purpose of such investigation the Commission is authorized to employ such engineers, experts, and other assistants as may be necessary. Such investigation shall be commenced not later than July 1, 1906, and shall be prosecuted with diligence and thoroughness and the results thereof reported to Congress at the beginning of each regular session. Such valuation shall show the value of the property of every railroad as a whole, and the value of its property in each of the several States or Territories or the District of Columbia. Every such railroad shall furnish to the Commission, from time to time, and as the Commission may require, maps, profiles, contracts, reports of engineers, and other documents, records, and papers, or copies of any or all of the same, in aid of such investigation and determination of the value of said railroad, and every such railroad is required to cooperate with the Commission in the work of the valuation of its property in such further particulars and to such extent as the Commission may direct.

"The Commission shall, thereafter, in like manner, keep itself informed of all extensions and improvements or other changes in the conditions of the property of the said railroads, and ascertain the fair value thereof, and from time to time, as may be required for the regulation of railways under the provisions of this act, revise and correct its valuation of railway property. To enable the Commission to make such changes and corrections in its valuation, every railroad engaged in interstate commerce, as defined in this act, is required to report currently to the Commission, and as the Commission may require, all

improvements and changes in its property, and to file with the Commission copies of all contracts for such improvements at the time the same are executed.

"Whenever the Commission shall have completed the valuation of the property of any railroad, and before said valuation shall become final, the Commission shall give notice by registered letter, to the company or companies owning or operating said railroad, stating the valuation placed upon the several lines of road and classes of property of the said company, used by it for the convenience of the public, and shall allow the company or companies twenty days in which to file a protest of the same with the Commission. If no protest is filed, within twenty days, such valuation shall become final.

"If notice of contest is filed by any railroad, the Commission shall fix a time for hearing the same, and shall proceed as promptly as may be to hear and consider any matter relative and material thereto presented by such railroad in support of its protest so filed as aforesaid. If after hearing any contest of such valuation under the provisions of this act, the Commission is of the opinion that its valuation is incorrect, it shall make such changes as shall make the same a fair valuation of such property, and shall issue an order making such corrected valuation final. All final valuations by the Commission shall be *prima facie* evidence of the fair value of the railroad property in all proceedings under this act." (*Cong. Record*, p. 7011).

Thirty-nine Republicans and one Democrat (McEnery) voted to lay this amendment on the table, while 23 Democrats and 4 Republicans (Elkins, Burkett, LaFollette and Warner) voted against the motion to table.

#### LA FOLLETTE AMENDMENT TO PROVIDE FOR EMPLOYER'S LIABILITY TO INJURIES TO EMPLOYEES.

On May 14, Senator LaFollette offered the following amending amendment:

"SEC. 20a. That every common carrier by railroad subject to the provisions of this act shall be liable for damages for all injuries, whether resulting in death or not, sustained by any of its employees, subject to the provisions hereinafter contained regarding contributory negligence on the part of the injured employee:

"a. When such injury is caused by a defect in any locomotive, engine, car, rail, track, road-bed, machinery, or appliance required by said common carrier to be used by its employees in and about the business of their employment.

"b. When such injury shall have been sustained by any officer, agent, servant, or employee or such common carrier while engaged in the line of his duty as such and which injury shall have been caused in whole or in greater part by the carelessness or negligence of any other employee, officer, agent, or servant of such common carrier in the discharge of or by reason of failure to discharge his duties as such.

"In every action to recover damages for such injuries or death the court shall submit to the jury the question whether the employee injured or killed was guilty of contributory negligence, and shall instruct the jury that if they shall answer such question in the affirmative, that they shall then answer the following question: Was the negligence of the employee injured (or killed) slighter or greater as a contributing cause to such injury (or death) than the negligence or carelessness of the common carrier, or any other officer, agent, or employee of such common carrier? And in all cases where the jury shall find the carelessness or negligence of the common carrier, or any other officer, or agent, employee of such common carrier, was greater than the negligence of the employee so injured or killed, and contributed in a greater degree to such injury or death, then the plaintiff shall be entitled to recover, and the negli-

gence, if any, of the employee so injured or killed shall be no bar to such recovery; and in all cases under this act the questions of negligence and contributory negligence shall be for the jury." (*Cong. Record*, p. 7017).

Twenty-three Democrats and 5 Republicans (Burkett, Fulton, Gamble, Kittredge, and LaFollette) voted for this amendment, while 42 Republicans and 3 Democrats (McEnery, McLaurin and Pettus) voted against it.

ON SHIP SUBSIDY, STATEHOOD (FORAKER AMENDMENT), RAILROADS, PANAMA CANAL SUPPLIES, AND PRESIDENT'S TRAVELING EXPENSES.

THE SHIP SUBSIDY BILL.

On February 14, 1906, the Senate passed the bill (S. 529) "to promote the national defenses, to create a force of naval volunteers, to establish American ocean mail lines to foreign markets, to promote commerce, and to provide revenue from tonnage."

This is the title of the ship subsidy bill. Thirty-eight Republicans voted for it; while 23 Democrats and 4 Republicans (Burkett, Dooliver, LaFollette and Spooner) voted against it. Four Democrats not voting were paired against it. Both North Carolina Senators voted against it.

ON THE JOINT RESOLUTION (S. R. 60) "PROVIDING FOR THE PURCHASE OF MATERIAL AND EQUIPMENT FOR USE IN THE CONSTRUCTION OF THE PANAMA CANAL."

On June 1, 1906, the House of Representatives by a party vote passed the Aldrich resolution, which had previously passed the Senate by a party vote. The Republicans voted for and the Democrats against the resolution. The resolution was as follows:

"Resolved, etc., That purchases of material and equipment for use in the construction of the Panama Canal shall be restricted to articles of domestic production and manufacture, from the lowest responsible bidder, unless the President shall, in any case, deem the bids or tenders therefor to be extortionate or unreasonable." (*Cong. Record*, p. 8918).

The above resolution on June 2, 1906, also passed the Senate by a party vote. The Republicans voted for and the Democrats against the resolution.

To illustrate the practical workings of this law, attention is called to the fact that some time ago the government wanted two ships to run between New York and Panama to be used in connection with the construction of the canal. Agents were sent to Europe to purchase these ships. They were offered two foreign ships of 6,000 tons each for \$750,000, but the government, instead of purchasing these two ships at this price, bought two American ships of 5,700 tons each for \$1,300,000.



At the hearing before the Merchant Marine Commission Mr. Alfred G. Smith testified that he was secretary and treasurer of the Ward Line, from whom these two ships were purchased by the government, and that these two ships purchased by the government for \$650,000 each originally cost for construction between \$550,000 and \$600,000 each. At the time these two ships were sold to the government for about \$100,000 each more than they originally cost, they had been in commission and in active use for between seven and eight years, and it is the established rule, based on experience, for ship-owners to write off five per cent. of the cost value of the ship for every year it is in active service. It will be seen that these ships had deteriorated in value between thirty-five and forty per cent., and yet the government paid for them \$100,000 more than the original cost and bought them for \$1,300,000, when it could have purchased the foreign ships with greater tonnage for \$750,000.

This is an illustration of the way in which Mr. Roosevelt protects the Treasury and guards the interests of the people.

#### PRESIDENT'S TRAVELING EXPENSES.

ON THE BILL (H. R. 20321) "TO PROVIDE FOR THE TRAVELING EXPENSES OF THE PRESIDENT OF THE UNITED STATES."

On June 20, 1906, the House of Representatives passed by a party vote the following bill. The Republicans voted for and the Democrats against the bill:

*"Be it enacted, etc., That hereafter there may be expended for or on account of the traveling expenses of the President of the United States such sum as Congress may from time to time appropriate, not exceeding \$25,000 per annum, such sum when appropriated to be expended in the discretion of the President and accounted for on his certificate solely.*

*"There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the purposes authorized by this act for the fiscal year 1907, the sum of \$25,000."* (*Cong. Record*, 9055).

On June 22, the Senate passed the same bill. In the Senate the vote was upon party lines. All the Republicans voting voted for the bill and all Democrats voting voted against the bill.

In addition to these traveling expenses, never before allowed a President, Mr. Roosevelt has had three government vessels fitted up as his private yachts.

#### RATIFICATION OF EXECUTIVE USURPATIONS—PHILIPPINE BLACKMAIL COLLECTIONS.

On June 27, 1906, the House of Representatives passed the following resolution:

*"Resolved, That during the consideration of the general deficiency appropriation bill, now pending in committee of the whole House on the state of*



the Union, it shall be in order to consider points of order, notwithstanding the paragraph relating to the ratification of the Philippines tariff, page 4, lines 17 to 26, and page 5, lines 1 and 2, as follows, viz.:

"That the tariff duties, both import and export, imposed by the authorities of the United States or of the provisional military government thereof in the Philippine Islands prior to March 8, 1902, at all ports and places in said islands upon all goods, wares, and merchandise imported into said islands from the United States, or from foreign countries, or exported from said islands, are hereby legalized and ratified, and the collection of all such duties prior to March 8, 1902, is hereby legalized and ratified and confirmed as fully to all intents and purposes as if the same had by prior act of Congress been specifically authorized and directed." (See *Cong. Record*, p. 9652).

The division in both Houses of Congress was on party lines.

ON THE RESOLUTION (H. R. 159) RELATING TO THE EIGHT-HOUR LAW,  
ALIEN CONTRACT LABOR LAW AND CHINESE EXCLUSION ACT.

On January 26, 1906, the House of Representatives, in conformity with a report from the Committee on Rules, passed the following resolution:

"Resolved, That it shall be in order to offer, as an amendment to the urgent deficiency bill (H. R. 12320), either in the House or in the committee of the whole House on the state of the Union, even although the paragraph to which it is germane may have been passed, the following amendment:

"The provisions of the act entitled "An act relating to the limitations of the hours of daily service of laborers and mechanics employed upon the public works of the United States and of the District of Columbia," approved August 1, 1892, shall not apply to alien laborers employed in the construction of the isthmian canal within the Canal Zone." (*Cong. Record*, p. 1587).

Upon this resolution the previous question was ordered, and it was passed by a party vote, the Republicans voting for it and the Democrats against it.

The division on this resolution was in the Senate, as in the House, on party lines.

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## THE SMOOT CASE.

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### Democrats Oppose Polygamy and the Union of Church and State.

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The liaison between the Republican party and the Mormon hierarchy commenced in 1896, and is generally believed to be due to Perry S. Heath, secretary of the Republican National Committee at that time. While Missionary McCurdy and the pious John A. McCall of life insurance fame were contributing the money of the policy-holders to the Republican campaign fund, the Mormon elders were contributing the votes of their saints to swell the Republican

majority at the polls, under the condition that Mormonism should be protected in the domination of the State of Utah, and such other States as it might get control of.

In pursuance of this conspiracy Reed Smoot was some years afterwards elected by the Mormon interest to represent Utah in the United States Senate. His credentials were filed February 23, 1903; and at the same time a protest was filed against his right to a seat in the Senate. He was sworn in March 5, 1903. On January 27, 1904, his credentials, together with the protest against his right to a seat in the Senate, were referred to the Committee on Privileges and Elections, consisting of Senators Burrows, McComas, Foraker, Depew, Beveridge, Dillingham, Hopkins and Knox (Republicans), and Pettus, Dubois, Bailey, Overman and Clark of Arkansas (Democrats).

After investigating the case for more than two years, eight members of the committee united in making a report adverse to the right of Smoot to a seat in the Senate. Three of these were Republicans, and five were Democrats. The report was filed June 11, 1906, and will be found in the *Congressional Record* of that date at page 8469. At the same time a minority report was filed by five of the Republican members of the committee—Senators Foraker, Beveridge, Dillingham, Hopkins and Knox. (See *Cong. Record*, June 11, 1906, pp. 8476, 8478). This minority report very strongly defended Smoot's right to his seat. Hence, while 5 Democrats and 3 Republicans opposed Smoot; 5 Republicans and no Democrat favored him. The Senate postponed action on the case until the next session.

## EXPENDITURES UNDER CLEVELAND, McKINLEY AND ROOSEVELT COMPARED.

TOTAL REVENUES AND EXPENDITURES FOR THE PAST TWELVE YEARS  
AS SHOWN BY THE REPORTS OF THE SECRETARY OF THE TREASURY.

### *Cleveland.*

Year.	Revenues.	Expenditures.	Deficit.
1894.....	\$372,802,498.29	\$442,605,757.87	\$69,803,260.58
1895.....	390,373,203.30	433,178,426.48	42,805,223.18
1896.....	409,475,408.78	434,678,654.48	25,203,245.70
1897.....	430,387,167.89	448,439,622.30	18,052,454.41

*McKinley.*

	Revenues.	Expenditures.	Deficit.
8.....	\$494,333,953.75	\$532,381,201.35	\$38,047,247.60
9.....	610,982,004.35	700,093,564.02	89,111,559.67
0.....	669,595,431.18	590,068,371.00	*79,527,060.18
1.....	669,316,530.92	621,598,546.54	*77,717,984.38

*Roosevelt.*

2.....	\$684,326,280.47	\$593,038,904.90	*\$91,278,375.57
3.....	694,621,117.64	640,323,450.28	*54,297,667.36
4†.....	674,767,664.00	660,767,664.00	*14,000,000.00
5†.....	704,472,060.72	747,694,001.44	43,121,939.28

Amount appropriated for the fiscal year 1907, \$879,589,185.16.

Estimated.      \*Surplus.

**EXTRAVAGANT APPROPRIATIONS.**

The official statement of the volume of appropriations made by the session of the Fifty-ninth Congress, prepared by Thomas P. Sawyer and James C. Courts, chief clerks of the Senate and House appropriations committees, shows that the grand total is \$879,589,185.16.

The details by bills are as follows:

Agriculture .....	\$ 9,930,440.00
Army .....	71,817,165.08
Diplomatic and consular .....	3,091,094.17
District of Columbia .....	10,138,672.16
Fortifications .....	5,053,993.00
Indian .....	9,260,599.98
Legislative, executive, and judicial ..	29,681,919.30
Military academy .....	1,664,707.67
Naval .....	102,091,670.27
Pension .....	140,245,500.00
Post-office .....	191,695,998.75
Sundry civil .....	98,538,770.32
Deficiency appropriations .....	39,129,035.45
Miscellaneous appropriations .....	27,173,299.01
Permanent appropriations .....	140,076,320.00

Grand total ..... \$879,589,185.16

There was no river and harbor appropriation at this session. If the same amount for rivers and harbors which was appropriated in 1898 had been appropriated the total would have reached, \$900,421,-598.07.

And though there were no appropriations for rivers and harbors this year, yet the total appropriations exceed those of 1898 by \$350,-854,105.86.

The total of appropriations for 1898 was \$528,735,105.86. The details by bills for that year were as follows (*Cong. Record*, 10, 124):

The most striking increases are those providing for the army, navy, sundry civil, and deficiencies.

	1898.	1907.
Army .....	\$23,129,344.30	\$ 71,817,165.08
Navy .....	33,003,234.19	102,091,670.27
Deficiencies .....	9,096,417.34	39,129,035.45
Sundry civil .....	34,490,370.47	98,538,770.32

The combined appropriations for the army and navy for 1898 were \$56,132,578.49. The combined appropriations for the army and navy for 1907 are \$173,908,835.35. This shows an increase of \$117,776,257.86 in these two items alone. The expense of the army and navy is therefore more than three times as great now as it was in 1898.

In discussing these extravagant appropriations, Mr. Livingston, the ranking Democrat on the House Appropriations Committee, said in a statement published in the *Congressional Record* of July 3, 1906:

"This growth in appropriations sustains the contention that the Republican party stands for extravagance in public expenditures, in order to use that extravagance as a cloak for their more objectionable purpose of maintaining a high protective tariff to favor the trust combinations of manufacturers of the country.

"A reduction of expenditures, they well know, would compel a commensurate reduction in taxation, and to that extent a lowering of the Chinese wall of protection that now surrounds the great body of consumers who constitute the larger portion of our population, and compel tribute from them to the favored classes."



## WAGES AND INCOMES.

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The question of the increase or decrease of wages and incomes is comparatively an uncertain quantity as to the employees of the whole country. The Census Bureau says no reliable comparison can be made between the figures for 1890 and 1900. The Labor Bureau in the Bulletin for July, 1905, published the "Relative weekly earnings per employee and for all employees 1890 to 1904 (see page 15), which indicate an average increase in weekly earnings of 12.3 per cent. from 1897 to 1904, the relative numbers being given in 1897 as 99.2 and in 1904, 112.2."

### SPEAKER CANNON'S STATISTICS.

Speaker Cannon in his "keynote" speech delivered August 16 at Danville, Illinois, gave the voters some large statistics to ponder over, but it is safe to assume that Mr. Cannon would not have used these figures if he had known their full significance. He said: "The average number of wage-earners in 1900, as given by the Census, was 4,251,535; in 1905 the number was 5,492,178, not including those in hand trades." "The total wages paid," said Mr. Cannon, "in 1890 amounted to \$1,891,209,696 and in 1905 to \$2,661,409,858." So he acknowledges that during these fifteen years average yearly wages increased slightly less than 9.4 per cent.

During the same period, that is, from 1890 to 1905, the value of manufactured products, according to Census figures, increased 58.7 per cent. Does Mr. Cannon and other stand-pat Congressmen call that a fair deal? An increase of 58.7 per cent. for the trusts and only an increase of 9.4 per cent. for the wage-earners! That certainly proves trust prosperity; but where does the prosperity for the wage-earner come in when his cost of living has increased 47 per cent.?

Speaker Cannon in his fight with labor should avoid statistics, for they are a two-edged sword in the hands of any one that does not understand their significance, as Mr. Cannon evidently does not.

As most of these statistics are totally unreliable, those for the Census of 1890 notoriously so, and those furnished from the Bureau of Labor being juggled to make a partisan showing, Mr. Cannon and other Republican orators should confine themselves to glittering generalities, and attempt to prove nothing.

How much wages have increased during the past nine years can be best answered by each individual for himself. He knows what he has been receiving and what he is now getting and whether his wages have kept pace with his expenses.

## WAGES OF RAILROAD EMPLOYEES.

The Interstate Commerce Commission receives a report each year from each railroad corporation of its income and expenses. One of the items of this report is the number of employees and the wages paid them. As the wages of railroad men must about keep pace with those in other industries, these official government statistics are a fair indication of wages paid in other industries for the year given. In the Statistics of Railways in the United States for 1904, the last published by the Interstate Commerce Commission, on page 43 will be found the average daily wages paid to each class of railroad employees as follows:

Class.	United States.							
	1904.	1903.	1902.	1901.	1900.	1899.	1898.	1897.
General officers-----	\$11.61	\$11.27	\$11.17	\$10.97	\$10.45	\$10.03	\$ 9.73	\$ 9.54
Other officers-----	6.07	5.76	5.60	5.56	5.22	5.18	5.21	5.12
General office clerks-----	2.22	2.21	2.18	2.19	2.19	2.20	2.25	2.18
Station agents-----	1.93	1.87	1.80	1.77	1.75	1.74	1.73	1.73
Other stationmen-----	1.69	1.64	1.61	1.59	1.60	1.60	1.61	1.62
Enginemen-----	4.10	4.01	3.84	3.78	3.75	3.72	3.72	3.65
Firemen-----	2.35	2.28	2.20	2.16	2.14	2.10	2.09	2.05
Conductors-----	3.50	3.38	3.21	3.17	3.17	3.13	3.13	3.07
Other trainmen-----	2.27	2.17	2.04	2.00	1.96	1.94	1.95	1.90
Machinists-----	2.61	2.50	2.36	2.32	2.30	2.29	2.28	2.23
Carpenters-----	2.26	2.19	2.08	2.06	2.04	2.03	2.02	2.01
Other shopmen-----	1.91	1.86	1.78	1.75	1.73	1.72	1.70	1.71
Section foremen-----	1.78	1.78	1.72	1.71	1.68	1.68	1.69	1.70
Other trackmen-----	1.33	1.31	1.25	1.23	1.22	1.18	1.16	1.16
Switch-tenders, crossing-tenders and watchmen-----	1.77	1.76	1.77	1.74	1.80	1.77	1.74	1.72
Telegraph operators and dispatchers-----	2.15	2.08	2.01	1.98	1.96	1.93	1.92	1.90
Employees—account floating equipment-----	2.17	2.11	2.00	1.97	1.92	1.89	1.89	1.86
All other employees and laborers-----	1.82	1.77	1.71	1.69	1.71	1.68	1.67	1.64

These wages show an average increase of 11 per cent. Since 1904 there has been a further increase, which, if in the same proportion, would make the increase about 14 per cent. So the railroad men are not participating in the prosperity of the railroad managers and stockholders. What they bought for \$1.00 of wages in 1897 now costs them \$1.40, and they have only \$1.14 to pay it with. The tariff-fostered trusts and inflation have raised prices 47 per cent., but the average wages have only increased 14 per cent. To come out even the man who was receiving \$2.00 a day in 1897 should now be getting nearly \$3.00. It is fair to assume that all labor is suffering from similar conditions, except perhaps a few very well organized trades, who have been able to force their wages somewhat beyond the average increase, but only after great strikes and costly struggles.

No wonder Organized Labor is opposing the Republican party, not only on the question of labor legislation, but on the far greater issue of legislating for monopolists and giving them the opportunity to plunder the great mass of the people.

## HOW THE TARIFF PLUNDERS THOSE WITH LIMITED INCOMES.

Those whose incomes are stationary and who get no increase to correspond with the increase in the cost of living are in worse plight than other people. The aged man or widow with a small but fixed income finds nearly one-half of its purchasing power cut off and himself unable from age or infirmity from working to increase their incomes. Nothing remains for such unfortunates but the pinching economy that comes hard, when comfort should be the rule. The grasping trusts and corporations are, through the monopoly created by protectionism, sucking the life-blood of those with limited incomes to the tune of 47 per cent. That is Republican usury, made legal by the statute known as the Dingley tariff law.

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CORRUPT CAMPAIGN FUND SCANDAL.

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The *New York World* of October 29, 1904, contained an editorial, in which it said:

"Three months ago, with perfect sincerity and in the discharge of a high public duty, the *World* first called Mr. Roosevelt's attention to the scandalous significance of the Cortelyou business. It said plainly to him that the transfer of his Secretary of Commerce to the chairmanship of his campaign committee 'has all the appearance of deliberate preparation for partisan blackmail' of the very corporations he had recently been officially investigating. It has insisted upon this view until it is now accepted by all the opponents of the President and by many of his supporters. \* \* \*

"The political indictment framed against Mr. Cortelyou is really an indictment framed against Mr. Roosevelt. It was Mr. Roosevelt who made Mr. Cortelyou his corporation inquisitor. It was Mr. Roosevelt who made Mr. Cortelyou chairman of the National Committee. It is Mr. Roosevelt who has kept secret the findings of the Bureau of Corporations during the 611 days of its existence, the while Mr. Cortelyou has been collecting campaign tribute from the very corporations that were and actually are to-day under investigation—the Beef Trust, the Coal Trust, the Paper Trust and their co-conspirators. Whatever Mr. Cortelyou has done either officially or politically has been done for Mr. Roosevelt and with Mr. Roosevelt's avowed or tacit consent. It could not have been otherwise.

"It is Mr. Roosevelt, therefore, who should reply to these charges and implications.

"It (the *World*) would rather see Mr. Roosevelt elected, with this scandal cleared away, than to have the moral conviction rest in the public mind, however unprovable, that Mr. Cortelyou has received, with President Roosevelt's probable knowledge and for President Roosevelt's certain benefit, millions of dollars for his campaign fund from trusts and corporations subject to his official inquisition and legally liable to prosecution as flagrant lawbreakers.

~ "Anything rather than that!"

In the same issue, the *World* published a speech delivered by Judge Parker at Esopus on October 28, in which Judge Parker used the following language:



"No more satisfactory evidence of the widespread public interest in the attempt to control the election by moneys of great corporations and trusts need to be looked for than that furnished by the President and his late Attorney-General, Knox. Knox was bidden to the presence of the President for a consultation. About what? About the iniquity of the large contributions? Contributions being made by gigantic corporations and trusts? Not at all. But rather to devise means by which the force of the statement of this commonly accepted fact could be parried. The outcome was an interview by Senator Knox.

"Care was taken to preface the interview with the statement that it met the approval of the President. It may be treated, therefore, as an administration statement. There are many of them these days. To two or three of them I shall make reference to-day.

"Now this long statement of Senator Knox has nothing whatever to do with the question uppermost in the public mind.

"Shall the creations of government, many of which pursue illegal methods, control our elections—control them by moneys belonging to their stockholders; moneys not given in the open and charged upon the books as moneys paid for political purposes, but hidden away by false bookkeeping?

"Senator Knox has been at some pains hitherto to prove that with all his learning he does not know all about the common law. It hardly seems possible, however, that he does not know the rule that allegations of the complaint not denied by the answer are thereby admitted. He does not deny—nor could he—that these contributions were made. If he could have done so, of course he would. If he can do so now, he is invited to.

"This interview was intended to create a cloud of dust behind which he hoped to hide the charge he did not answer, and could not answer. That charge is that vast sums of money have been contributed for the control of this election in aid of the administration by corporations and trusts."

The Republican leaders were badly rattled. They supposed, no doubt, that Parker had in some way obtained evidence of the doings of Andy Hamilton, George W. Perkins, Robert Olyphant, John A. McCall, and of many other financiers in Wall Street, such as those disclosed by the insurance investigation. They waited until the fourth of November, when the campaign was practically ended; and then had Roosevelt deny the charges. In his letter dated November 4, 1904, and published November 5, Roosevelt said:

"The statements made by Mr. Parker are unqualifiedly and atrociously false. \* \* \*

"There is not one particle of truth in the statement as regards anything that has gone on in the management of the Republican campaign."

#### WHAT THE SEQUEL PROVES.

The report of the Armstrong committee of the New York Legislature, published since Mr. Roosevelt made these sweeping and apparently impassioned, but really crafty, denials, proves that Parker spoke the truth, and that Roosevelt did not. A Republican member of Congress, Mr. Edward Morrell of Pennsylvania, summarized the matter so well in a speech delivered in the House of Representatives, December 15, 1905 (*Congressional Record*, December 21, 1905), that some of his remarks are incorporated herewith. Mr. Morrell said:



"As it is, nobody can feel safe, because nobody knows what these giants are doing. The reports which they have made to the State authorities have been shown to be false, and the reports of the insurance superintendents are clearly worthless or worse. The Equitable Life made its own attorney, a gentleman named Pierce, State Superintendent of Insurance. The three great companies have combined in order to support a corrupt lobby at Albany. They have been giving hundreds of thousands of dollars to such men as Andrew Hamilton, A. C. Fields, W. S. Thummel, and other lobbyists. The Equitable, according to the testimony, has paid \$10,000 a year for a long time to Senator Platt for use in elections. The Mutual has on several occasions paid \$10,000 to Senator Platt for the same purposes. In the campaign of 1896, 1900 and 1904, the Mutual, the Equitable, and New York Life, the Metropolitan, and the Prudential contributed large sums to the Republican National Committee. The testimony of Messrs. Thummel, Perkins, McCall, Olyphant, Hegeman, Hon. Thomas C. Platt, Hon. John F. Dryden, and Hon. Chauncey M. Depew discloses these facts.

"These payments were not recorded in the books of the insurance companies. Neither were they reported to the authorities of any State in the sworn reports of these companies. Mr. Richard A. McCurdy swore that if any contribution had been made by the Mutual to any New York State campaign committee he knew nothing about it. Senator Platt in his own testimony contradicted this statement. Concerning such contributions, Senator Platt said that he had received as contributions to the Republican State Committee's campaign fund the sum of \$10,000 a year for a period of ten or fifteen years from the Equitable Life Assurance Society. During the same period he received \$10,000 a year for a number of years, but not every year, from the Mutual Life Insurance Company. The Senator explained that the contributions of the Equitable and the Mutual had always been sent him in cash by a messenger. When asked if he had ever solicited these contributions, he said that he had not, but had talked with President McCurdy, of the Mutual, about funds.

"On this point the questions by Mr. Hughes and the answers by Senator Platt were as follows:

"Q. How did it happen that the Mutual Life contributed the money? Was it in pursuance of an understanding between yourself and Mr. McCurdy? A. I simply asked him at various times when necessities were very great for money, and he said he would be very glad to subscribe."

"Q. This was for the State campaign? A. Yes, sir."

"And Mr. McCurdy so understood it? A. He understood it, and could not understand it any other way, because I was not representing the national campaign."

"Senator Platt said that he had received a few contributions of \$10,000 a year from Mr. John A. McCall, president of the New York Life Insurance Company, but had no personal knowledge as to whether or not the money came out of the funds of the company or was a personal contribution from Mr. McCall."

"I submit the questions and answers as to the motives which prompted these contributions:

"Senator, what do you understand was the *quid pro quo* of those contributions? Did you ever understand that the companies might expect something in return? A. I supposed that they would expect my influence in opposition to adverse legislation."

"Did they ever ask you to influence legislation. A. Never."

"Could you have done so? A. No."

"Q. Then what service could you render? A. I suppose that they thought I might have some little influence with my party."

"The 'legal expenses' of the Mutual were \$347,000 in 1903, \$130,000 in excess of 1902, when they were \$216,000. For 1904 they were \$459,000; in 1901 \$243,000. In these four years the 'legal expenses' of the Mutual amounted to \$1,265,000. Mr. Robert Olyphant, who is a member of its committee of expenditures, says that money for secret and confidential purposes is charged to the account of 'legal expenses.'"

"Mr. Olyphant said on the witness-stand October 10, 1905, that the Mutual Life had paid out \$200,000 on vouchers of \$25,000 each, in 1903 and 1904, on account of 'private legal expenses.'

"Mr. Robert A. Grannis, vice-president of the Mutual Life, testifying on the same day, said:

"If money was necessary to protect the company against adverse legislation, there was no hesitation in laying out the requisite funds."

"Mr. Walter R. Gillette, vice-president of the Mutual Life, said that the general solicitor of the company could get whatever funds he wanted without giving any reason for it."

Thummel testified that he had delivered to Chairman Babcock \$5,000 of the money of the Mutual Life Insurance Company for the use of the Republican Congressional campaign in 1904.

George W. Perkins testified that he had given Chairman Bliss of the Republican National Committee between forty and fifty thousand dollars, and had been reimbursed by the company after the election, so that the contribution did not appear on the company's books. The New York, the Mutual and the Equitable contributed \$50,000 each to the Republican National Committee in 1904. The Prudential Life, Senator Dryden's company, also contributed very largely. The contributions were as Judge Parker charged—"moneys belonging to their stockholders; moneys not given in the open and charged upon the books as moneys paid for political purposes, but hidden away by false bookkeeping."

No man can honestly doubt or deny that the railroad companies, banks, trust companies, and other great corporations contributed in the same surreptitious and unlawful manner to the Republican campaign fund of 1904, or that in making the contributions they all, like Bliss and Cortelyou, as well as Platt, "might have had some influence with the party," and would exert that influence in the interest of the contributors. Nor can it be doubted that political influence was exerted to keep Bliss and Cortelyou off the witness-stand in the insurance investigation. Why has not President Roosevelt required Bliss and Cortelyou to make restitution of the moneys thus unlawfully received by them? Why did he not urge the passage of the Tillman bill to prohibit contributions by corporations to party campaign funds in the future? Why did he not urge the passage of the Tillman resolution for the investigation of contributions by National banks to party corruption funds? Were not the statements in his letter of November 4, 1905, concerning Judge Parker's charges, "unqualifiedly and atrociously false"? They most certainly were.

At the last session of Congress a bill passed the Senate to prohibit corporations contributing to campaign funds; but it was smothered by the Republicans in the House. If it had been passed by the House in the first instance, the Senate would have smothered it. That is an old Republican trick. The Republicans have no idea of cutting off the millions that pour into their campaign fund in every campaign from these corporations.

## THE WAY VIOLATORS OF ANTI-TRUST AND ANTI-REBATE LAWS ARE LET OFF.

### PROTECTION A PRETENSE AND FARCE.

Early in July, 1906, it was given out with a flourish of trumpets that violations of the anti-trust and rebate laws were to be investigated by the Department of Justice, and prosecuted to the bitter end. But the *Baltimore Sun* of July 18 contained a dispatch from Cleveland, Ohio, saying:

"The Federal grand jury, which has been in session here investigating alleged violations of the Interstate Commerce laws and Anti-Railroad Rebate laws, adjourned this afternoon without bringing any indictments. The investigation was directed particularly toward the Standard Oil Company and the Lake Shore Railroad Company, and was the result of testimony of witnesses before the Interstate Commerce Commission here recently, in which evidence of alleged rebating by the Lake Shore in favor of the Standard Oil Company had been given.

"The failure to return indictments here, it is officially stated, was because the investigation developed the fact that the court here is without jurisdiction over the alleged offenses upon which testimony was given.

"The government sprung a surprise in the investigation shortly before noon to-day when the session of the jury was adjourned at 3 o'clock and all the witnesses who were to appear were excused permanently. This action was taken to mean that the investigation was ended and that the grand jury would at once begin the consideration of the testimony submitted. The failure to find indictments was not a surprise, as it had been anticipated in previous statements made during the latter part of the investigation.

"The witnesses who appeared before the grand jury prior to its adjournment were Captain G. J. Grammer, vice-president and general traffic manager of the Lake Shore road; W. E. Wall, of the Fred G. Clark Company, and C. F. Slausson, freight agent of the Lake Shore at Chicago.

"Federal officers to-day practically admitted that there will be no further attempt to indict officials or employees of the Lake Shore road."

Another dispatch from Cleveland to the *New York World*, dated July 24, said:

"The government has altered its plan of action against the Standard Oil Company, and the change will save the officers from a possible term in prison. It was learned to-night that the Federal authorities have decided to prosecute the oil inquiry under the charge of a misdemeanor, which means that only a fine can be imposed in case of conviction. Heretofore the charge has been felony which meant both fine and imprisonment.

"The government will proceed with the oil inquiry in Chicago by filing information against the Standard and its officers. The grand jury will be dispensed with altogether. The district attorney of the Northern Division of Illinois will file information against them, the oil company officers will be haled into court, and if convicted will be fined within the limits prescribed by the Federal statutes.

"It is said that Attorney-General Moody has concluded that the best results can be obtained by the infliction of fines under the Elkins law. This, it is believed, will curb illegal discrimination and rate favoritism or trade oppression in the future. Mr. Moody further believes, it is said, that these results can be obtained more quickly than by proceeding with the object of having the alleged offenders imprisoned."



In the Santa Fe Railroad rebate case and others, the same policy has been pursued.

SANTA FE REBATE CASE.

In the spring of 1905 the President appointed Messrs. Harmon and Judson special counsel to assist the Attorney-General in the Santa Fe case. In June, 1905, Messrs. Harmon and Judson reported to Attorney-General Moody that a pretty clear prima facie case existed against the Santa Fe corporation and its officers, and asked that the said officers be arraigned as in contempt of court—an injunction against rebating having been outstanding against them; this action to be taken in order that compulsory process might be applied to bring out the evidence, after which the said corporation and officers might be prosecuted criminally under the law. They said that, short of that process, further development of the case was beyond their reach.

Mr. Moody at first cautioned them against moving too hastily, and then advised that contempt proceedings be directed against the corporation alone, to the exemption of the officers. Messrs. Harmon and Judson replied that contempt proceedings against the corporation alone would amount to nothing. They wrote:

"What we have said is peculiarly true of the great corporations of our day. They cannot be imprisoned, and punishment by fine is not only inadequate, but reaches the real culprits only lightly, if at all. The evils with which we are now confronted are corporate in name, but individual in fact. Guilt is always personal. So long as officials can hide behind their corporations, no remedy can be effective. When the government searches out the guilty men and makes corporate wrongdoing mean punishment and dishonor, the laws will be obeyed."

That ought to be as clear as daylight; but Mr. Moody demurred, and finally spoke out the reason for his holding back:

"If proceedings are taken against the corporation or individuals, they must be taken in my name, and, what is infinitely more important, with the authority that belongs to the office which, for the time being, I hold. I am, therefore, brought face to face with my own personal and official responsibility and must discharge it under the embarrassing circumstance that one of the persons affected by my decision is a colleague in the performance of public duty."

The "colleague" in the cabinet as one of the persons affected left the matter without need of further explanation. Finding no support from Washington in probing the case to the bottom, the special counsel withdrew. That seems to be the whole story.

The *Chicago World-Herald* of June 23, 1905, said:

"In the matter of proceedings against the trusts and railroads for violations of the civil and criminal laws of the land, President Roosevelt, driven by an emergency which compelled him to take the public into his confidence, has at last made his position clear.

"Messrs. Judson and Harmon, two of the most eminent members of the American bar, were employed by the administration, as special counsel, to investigate the rebate scandal involving the Santa Fe Railroad. They found



that for a period of years the road had violated the rebate laws, and that for more than two years it had disregarded an injunction of the Federal court to obey those laws. They recommended that personal proceedings be instituted against the officers of that corporation. President Roosevelt has sustained his Attorney-General in refusing to follow that recommendation, and now tells the public why.

"President Roosevelt does not believe the criminal statutes should be enforced against big offenders. He takes the position that the duty of the administration is to put an end to the crime; it is not to punish the criminal. These are his words—addressed in an open letter to the Attorney-General:

"The aim of the administration has been in the first place to stop the unlawful practices. We have not proceeded personally against any of the officers, unless there was legal evidence showing that their conduct had been wilfully of such a nature as to render it our duty to try to punish them personally, no less than to try to put an end to the objectionable practices. You remember that when the administration brought the Northern Securities suit there was much criticism of us for not undertaking criminal proceedings against the principal directors in the Northern Securities Corporation. The policy of the administration at that time was that such a proceeding would be unjust to the men concerned and not to the advantage of the public. Events have shown this view to be correct."

Messrs. Judson and Harmon were so disgusted with Mr. Roosevelt and his Attorney-General's conduct in this matter that they withdrew from the inquiry and refused further employment by the government.

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## REPUBLICAN OPINION OF THE DINGLEY TARIFF LAW.

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FROM SPEECH OF GOVERNOR CUMMINS OF IOWA.

"All the robberies and thefts committed by all the insurance officers since life insurance was first originated do not amount to as much extortion as the Dingley bill for one year."

AUTHORIZED INTERVIEW AT WASHINGTON, D. C., OF ALVIN H. SANDERS,  
PRESIDENT OF THE AMERICAN RECIPROCAL TARIFF LEAGUE.

"I have not abandoned hope that this Congress will make some move in the interest of fairer trade relations with our foreign customers. It is inconceivable to me that the leaders of the Republican party should commit the political blunder of going before the people this fall with standpatism as one of the main issues. The corn-belt States will sooner or later send men to Washington who will represent their interests in an aggressive way on this proposition. They want honest protection to interests that need it, but they insist upon an energetic effort being made to open the markets of continental Europe to our corn, wheat, flour, beef, pork, cattle, hogs, etc. They believe they are being sacrificed at the behest of certain manufacturing in-

terests that do not need the excessive tariffs provided by the Dingley law of 1897.

"If we could 'tote fair' with continental Europe we could sell at least \$100,000,000 worth more of American agricultural products than we are now supplyng. Surely, this is a matter entitled to the serious consideration of the National Legislature. We have been selling to Germany, even under the restrictions imposed upon us in recent years, more than \$50,000,000 worth of farm products other than cotton and tobacco. That this could be run up to \$100,000,000 under fair reciprocal arrangements is self-evident. The idea, therefore, that we can view with equanimity the closing of that outlet for our foreign surplus, and that we can afford to disregard the European tariff combine against us, is a proposition that cannot be successfully defended in the Middle States.

"That representatives of the great farming States should lend themselves to the perpetuation of a policy that is robbing our producers of important vents for the ever-growing surplus of our farms appears to me a monstrous proposition."

INTERVIEW IN "NEW YORK SUN," NOVEMBER 14, 1905, OF REPRESENTATIVE BABCOCK OF WISCONSIN.

"What would revision by the coming Congress, through the committees of House and Senate, as now constituted, amount to? Those committees are dominated by men who favor the high protection idea. Chairman Payne and Representatives Dalzell and Grosvenor would head the Republican sub-committee to draw the bill, and none of them would support such a measure as the Republican friends of revision want."

SPEAKER CANNON IN "NEW YORK TRIBUNE," DECEMBER, 1905.

"If some fellow did introduce a tariff bill, and it was argued and argued, and at the end of twelve months its advocates could gather together enough votes to pass it, the country being held up by the tail in the meantime, I think you'd find that the new law would have just as many outrageous things in it as are found in the Dingley tariff act."

## APPENDICES.

## COMPARISON OF EXPORT AND HOME PRICES.

[FROM THE DEMOCRATIC CAMPAIGN TEXT-BOOK, 1904.]

The first and second table is taken from the American Export Monthly of June 18, 1904, published by Arkell & Douglas, 5 to 11 Broadway, New York City, New York.

**FIRST TABLE.**—*Showing differences in discounts from price lists for foreign and home consumers and the per cent. of difference between export and home prices; many varieties and sizes are often included under one discount.*

**NOTE.**—Where several discounts are quoted the first figure is the discount from list price, the second figure is the discount from the remainder, the third figure is the discount from that remainder, and so on. Thus in the line for "Augers" below, the home discount is given as "50, 10, 5." If the list price was \$1, these discounts would mean 50 per cent. off from \$1 (50 cents), less 10 per cent. of remainder (5 cents), less 5 per cent of that remainder (2½ cents), leaving 42½ cents as net price to buyer.

Firm or Corporation and Article.	Export Discount from List.	Home Discount from List.	Difference.
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per ct.</i>
Russell & Erwin Manufacturing Co.:			
Auger bits, Swan's Jennings	60	50	25
Locks, door	50	40	20
Bells, cow	50, 15	50	19
Snell Manufacturing Co.:			
Augers	75	50, 10, 5	72
John S. Fray & Co.:			
Braces	70	60	33
Enterprise Manufacturing Co.:			
Coffee and spice mills	40, 10	25 to 30	30
A. M. Hayden & Russell, Burdsall & Ward, Bolt and Nut Co.:			
Bolts, tire	80, 10	72, 10	28
Bolts, carriage	80, 10	75	39
Bridgeport Chain Co.:			
Chains, halter	70, 10, 7	60, 10	44
Covert Manufacturing Co.:			
Halters, jute	50, 10, 10	40, 5, 5	33
Halters, sisal	40, 10	30	30
Handles, fork, rake, hoe, and shovel	50	45	10
Beamis & Call Hardware Co.:			
Pipe wrenches, adjustable "S"	50	40	20
Pike Manufacturing Co.:			
Scythe and oil stones	50	33	50
Henry Disston's Sons:			
Saws, hand	40 and 5	25	43
Saws, crosscut	60 and 10	45	53
Stanley Rule and Level Co.:			
Rules, boxwood	50, 10, 10, 10	60 to 60, 10	35

SECOND TABLE.—Showing difference between export and home prices on samples specified articles.

Firm or Corporation and Article.	Export Price.	Home Price.	Difference.
Russell & Erwin Manufacturing Co.:			<i>Per ct.</i>
Auger bits, Swan's Jennings No. 3, dozen-----	\$ 1.60	\$ 2.00	25
Snell Manufacturing Co.:			
Auger bits, solid cast steel car No. 7, dozen-----	2.70	3.60	33
A. & M. Hayden:			
Bolts, tire, 1-inch, per hundred-----	.27	.30	10
Bolts, carriage, 2-inch, per hundred-----	.98	1.35	34
John S. Fray & Co.:			
Braces, Spofford No. 7, per dozen-----	4.80	6.40	30
Braces, Woodhead No. 117, per dozen-----	10.80	14.40	30
Braces, ratchet No. 141, per dozen-----	12.60	16.80	30
Enterprise Manufacturing Co.:			
Coffee and spice mills, wall, each-----	.67	.88	30
Coffee and spice mills, counter, No. 4, each-----	4.32	5.60	30
Coffee and spice mills, counter, No. 212, each-----	16.20	21.00	30
Bridgeport Chain Co.:			
Chains, halter, Brown No. 4, 6 foot, dozen-----	2.00	2.80	40
Beamis & Call Hardware Co.:			
Wrenches, "S," adjustable pipe, 8 inches, dozen-----	7.50	9.00	20
Wrenches, "S," adjustable pipe, 8 inches, dozen-----	4.50	5.55	22
Wrenches, combination, 10 inches, dozen-----	13.75	14.25	6

[List from Exporters and Importers' Journal of June 18, 1904, published by Henry W. Peabody,  
17 State Street, New York City, N. Y.]

FIRST TABLE.—Showing differences in discounts.

Firm or Corporation and Article.	Export Discount from List.	Home Discount from List.	Difference.
Henry Disston's Sons:			<i>Per ct.</i>
Levels and plumbs-----	70, 10, 10, 10	70	36
Saws, band-----	60, 10, 10	60	23
Saws, hand-----	45, 5	25	43
Saws, compass-----	45, 5	25	43
Shears-----	50	30	40
Squares, try-----	70, 10, 10, 10	70	36
Andrew B. Hendrix & Co.:			
Bird cages, brass-----	50	40, 10	8
Enterprise Manufacturing Co.:			
Fruit seeders, Nos. 36 and 38-----	40	30	16
Collins & Co.:			
Hinges, japanned spring-----	25, 20, 10	25, 10	24
Hinges, acme, brass-----	40, 10	30	30
Springs, door, gem coil-----	35	30	16
Covert Manufacturing Co.:			
Harness, snaps-----	50	35	42
Breast chains-----	50, 10	40	30
Cleveland Twist Drill Co.:			
Bit stocks and drills-----	65, 10	60, 10, 5	8
Boston and Lockport Block Co.:			
Tackle blocks-----	75	70, 10	8
Charles Parker Co.:			
Vises-----	25, 10, 5	25	17
Miller's Falls Co.:			
Wrenches, Coes-----	40, 10, 5, 5, 7	40, 5, 5, 7	13



SECOND TABLE.—Showing samples of differences between export and home prices in specific articles.

Firm or Corporation and Article.	Export Price.	Home Price.	Difference.
Andrew B. Hendrix Co.:			<i>Per ct.</i>
Bird cages, No. 301, fancy, with R. mats, per dozen-----	\$ 15.00	\$ 16.20	11
Henry Disston's Sons:			
Hardware, saws, band, 3 to 14, per foot-----	1.00	1.22	22
Hardware, saws, band, 2 to 3, per foot-----	.75	.92	24
Hardware, saws, hand, 18 inch, per dozen-----	6.00	8.36	43
Hardware, saws, hand, Acme, 16 inch, per dozen-----	11.51	16.50	43
Hardware, saws, hand, No. 7, 14 inch, per dozen-----	6.37	8.40	16
Hardware, saws, compass, No. 2, 16 inch, per dozen-----	2.61	3.65	43
Hardware, saws, back, No. 4, 12 inch, per dozen-----	6.00	8.36	43
Hardware, saws, butcher, No. 7, 18 inch, per dozen-----	7.00	8.70	24
Hardware, saws, wood, No. 69, per dozen-----	6.00	7.80	30
Hardware, trysquare, No. 1, 5 inch, per dozen-----	1.06	1.43	40
Hardware, trowels, No. 12, per dozen-----	10.00	12.95	29
Hardware, bunghole borers, No. 2, each-----	1.00	1.25	25
Hardware, levels and plumbs, No. 8, per dozen-----	4.60	6.30	37
Smith & Ege Manufacturing Co.:			
Hardware, shears, Eureka, No. 2-----	10.00	14.00	40
Ames Manufacturing Co.:			
Hardware, shovels, spades, D. H., sq. pt., per dozen-----	4.68	5.10	9
Hardware, shovels, spades, R. D., sq. pt., per dozen-----	4.95	5.40	9
Hardware, shovels, spades, long H., sq. pt., per dozen-----	4.81	5.25	9
Columbian Hardware Co.:			
Hardware, hinges, Acme, 2 I., No. 2, dozen pairs-----	.75	.98	17
Hardware, hinges, Acme, W. B., No. 2, dozen pairs-----	1.08	1.40	30
Hardware, hinges, door springs, Gem coil, gross-----	7.80	8.40	7
Boston & Lockport Block Co.:			
Hardware, tackle block, 14 inch, single, each-----	1.75	2.00	11
Hardware, tackle block, 14 inch, double, each-----	2.63	2.83	8
Collins & Co.:			
Hardware, wrenches, Coes, 10 inch, per dozen-----	5.46	5.86	7
L. S. Starrett Co.:			
Hardware, hack-saw blades, 9 inch, per dozen-----	.48	.53	10
Enterprise Manufacturing Co.:			
Fruit presses, No. 3, each-----	1.80	2.40	33
Raisin seeder, No. 36, per dozen-----	7.20	9.00	25
Covert Manufacturing Co.:			
Hardware, snaps, har. Derby, gross-----	3.20	4.25	30
Hardware, snaps, har. Jockey, gross-----	2.39	3.00	25
Hardware, snaps, har. Trojan, gross-----	1.84	2.63	42
Hardware, snaps, har. Yankee, gross-----	2.40	3.12	30
Hardware, jacks, carriage, per dozen-----	5.00	6.88	36
Hardware, jacks, wagon, per dozen-----	6.40	8.80	33
Hardware, jacks, automobile, per dozen-----	7.60	10.45	33
Hardware, jacks, automobile, screw, per dozen-----	18.00	23.95	33
Sampson Cordage Works:			
Hardware, sash cord, No. 7, per pound-----	.24	.33	34
Hardware, sash cord, Mass., per pound-----	.20	.28	40
M. S. Benedict Manufacturing Co.:			
Hardware, teaspoons, gross-----	1.00	1.10	10
Hardware, dessert spoons, gross-----	1.50	1.65	10
Hardware, tablespoons, gross-----	2.00	2.20	10
Hardware, forks, gross-----	2.30	2.53	10
Cleveland Twist Drill Co.:			
Hardware, twist drill, bit stock, 1 inch, per dozen-----	8.86	10.13	14
Hardware, twist drill, taper shape, 1 inch, each-----	.94	1.08	12
Charles Parker Co.:			
Hardware, vises, No. 5, X, each-----	15.40	19.20	25
Hardware, coffee mills, box, No. 401, per dozen-----	1.44	1.80	25
Hardware, coffee mills, side, No. 90, per dozen-----	2.88	3.60	25
Columbian Hardware Co.:			
Hardware, vises, solid box, No. 90, each-----	6.40	8.00	25
Hardware, vises, parallel, 5 inch, each-----	2.25	3.00	30
Malin & Co.:			
Hardware, wire ann. tin, 1-lb. spools, per dozen-----	.70	.80	14
Hardware, wire ann. tin, 1-lb. spools, per dozen-----	.90	.98	9
Hardware, wire, barb, per 100 pounds-----	2.20	2.70	23
Hardware, wire black fencing, per 100 pounds-----	1.25	2.00	60
Geo. W. Korn Razor Manufacturing Co.:			
Razors, safety, each-----	1.08	1.20	11

[List from the Export World and Herald of July 5, 1904, published by the American Trading Company, Broad Exchange Building, New York City, N. Y.]

FIRST TABLE.

Firm or Corporation and Article.	Export discount from list.	Home discount from list.	Difference
E. C. Atkins & Co., Indianapolis, Ind.:			<i>Per ct.</i>
Hardware, saw (circular)-----	50.10	50	11
Hardware, saw (band)-----	50.10, 5	50.10	6
Hardware, saw (crosscut)-----	35.5	16	33
Hardware, saw (hand)-----	50.10	40	32
Hardware, saw (back)-----	50	40	20

Article.	England.	United States.	Difference.
J. S. Barron & Co.:			<i>Per ct.</i>
Freezers, ice cream, Alaska, 4-quart, each-----	\$1.82	\$2.40	33
Washboards, single zinc, per dozen-----	1.50	2.40	60
Washboards, single zinc, per dozen-----	2.25	2.65	17
Washboards, solid zinc, per dozen-----	2.40	3.00	25
Henry Chesney Hammer Co.:			
Hammers, farriers', No. 54, per dozen-----	4.44	4.80	9
Hammers, machinists', No. 91, per dozen-----	7.00	8.51	20
Knowles Scale Works:			
Scales, square platform, with wh., each-----	14.97	17.50	17

In February, 1904, the literary bureau of the Democratic Congressional committee received a letter from Henry Russell & Co. (Limited), Sheffield, England, large manufacturers and dealers in files and tool steel. This letter says:

"As an illustration of the unfair manner in which home buyers of files are treated by the United States manufacturers, I inclose you herewith a comparison of the prices charged to the buyers in the United States with those offered by the same manufacturers here."

Some of the prices on the list inclosed follow:

*Comparative prices, per dozen, of American files in America and England.*

Article.	England.	United States.	Difference.
			<i>Per ct.</i>
Flat bastard, 4 inches-----	\$0.34	\$0.92	170
Flat bastard, 6 inches-----	.50	1.07	114
Flat bastard, 10 inches-----	1.08	1.75	62
Hand bastard, 4 inches-----	.38	.92	142
Hand bastard, 6 inches-----	.62	1.07	73
Hand bastard, 10 inches-----	1.30	1.87	44
Half-round bastard, 4 inches-----	.34	1.20	253
Half-round bastard, 6 inches-----	.50	1.52	204
Half-round bastard, 10 inches-----	1.08	2.27	108
Round bastard, 4 inches-----	.34	.75	121
Round bastard, 6 inches-----	.50	.87	74
Round bastard, 10 inches-----	1.08	1.40	30
Square bastard, 4 inches-----	.34	.95	179
Square bastard, 6 inches-----	.50	1.15	130
Square bastard, 10 inches-----	1.08	1.85	71

From these figures we see that the American File Association, which has not revised its price list to American buyers since November 1, 1899, is charging us for most kinds of its small files more than twice as much as it charges Englishmen for these same files, and for half-round files we must pay them three times the price charged Englishmen.

## APPENDICES.

## ARTICLES UPON WHICH 100 PER CENT. AND OVER ARE COLLECTED.

FROM REPORT OF THE DEPARTMENT OF COMMERCE AND LABOR, BUREAU OF STATISTICS.

*Imported Merchandise entered for consumption in the United States, including both entries for immediate consumption and withdrawals from warehouse for consumption, with rates and amounts of duty collected during the year ending June 30, 1905.*

Articles.	Rates of Duty.	Quantities.	Values.	Duties.	Average.	
					Value per unit of quantity.	Ad valorem rate of duty.
Beverages, not elsewhere specified: Cherry juice and other fruit juice, not specially provided for, containing not more than 18 per cent. of alcohol (gallons) -----	{ 60 cents per gallon ----- Duty remitted ----- (Sec. 15, act July 24, 1897). 60 cents per gallon -----	37,074.28 853.00	\$ 19,411.00 283.00	\$ 22,244.60	\$ 0.523 .332	Per cent. 114.60
Prune juice or prune wine, containing not more than 18 per cent. of alcohol (gallons) -----	60 cents per gallon -----	51,088.90	26,220.00	30,653.34	.513	116.91
Chemicals, drugs, dyes, and medicines: Boracic (pounds) -----	5 cents per pound -----	660,150.00	23,626.00	33,007.50	.036	139.71
Tannic or tannin (pounds) -----	50 cents per pound -----	7,652.34	3,108.00	3,826.18	.406	123.11
Mineral waters: Otherwise than in such bottles, or in bottles containing more than 1 quart (gallons), Vanillin (ounces) -----	24 cents per gallon ----- 80 cents per ounce ----- 4¼ cents per square yard and 10 per cent. 9 cents per square yard and 35 per cent. 50 cents per gross ----- 3½ cents per pound -----	11,860.28 1,331.00 221.00	2,193.00 423.00 10.00	2,846.47 1,064.80 10.39	.185 .318 .045	129.80 251.73 103.9
Cotton duck, not exceeding 3½ square yards to the pound (square yards) -----	9 cents per square yard and 35 per cent.	166.00	9.00	18.09	.054	201.0
Dress facings or skirt bindings, not bleached, dyed, colored, stained, painted, or printed, (square yards), Glass bottles, filled, holding less than ¼ pint (gross) -----	50 cents per gross ----- 3½ cents per pound -----	234.21 683,201.00	115.00 19,313.00	117.10 22,382.98	.491 .029	101.83 115.90
Cylinder, crown, and common window glass, unpolished, above 24 by 36 inches and not exceeding 30 by 40 inches (pounds). Plate-glass, fluted, rolled, ribbed, or rough ground, above 24 by 60 inches (square feet).	35 cents per square foot -----	9,515.67	2,441.00	3,330.48	.255	136.44

## ARTICLES UPON WHICH 100 PER CENT. AND OVER ARE COLLECTED—CONTINUED.

Articles.	Rates of Duty.	Quantities.	Values.	Duties.	Average.	
					Value per unit of quantity.	Ad valorem rate of duty.
Plate-glass, cast, polished, finished or unfinished and unsilvered: Above 24 by 30 inches and not exceeding 24 by 60 inches (square feet).	22½ cents per square foot	792,579.50	\$ 175,729.00	\$ 173,330.47	\$ .222	<i>Per cent.</i> 101.48
Above 24 by 60 inches (square feet).	35 cents per square foot	265,442.69	66,225.00	92,904.93	.249	140.29
Plate-glass, cast, polished, unsilvered, when bent, etched, embossed, frosted, sanded, enameled, beveled, painted, or otherwise ornamented or decorated, above 24 by 60 inches (square feet).	35 cents per square foot and 5 per cent.	6,298.00	1,509.00	2,279.75	.24	151.07
Plate-glass, cast, polished, silvered, and looking-glass plates, exceeding in size 144 square inches, above 24 by 30 inches and not exceeding 24 by 60 inches (square feet).	25 cents per square foot	484.00	122.00	121.00	.252	99.26
Plate-glass, cast, polished, silvered, when bent, ground, obscured, frosted, sanded, enameled, beveled, etched, embossed, engraved, flashed, stained, colored, painted, or otherwise ornamented or decorated, above 24 by 60 inches (square feet).	38 cents per square foot and 5 per cent.	133.00	47.00	52.89	.353	112.53
Lead, and manufactures of—base bullion (pounds)	2½ cents per pound	2,927,891.00	61,892.00	62,217.68	.021	100.53
Marble, sawed or dressed, over 2 inches in thickness (cubic feet).	\$1.10 per cubic foot	146.50	150.00	161.15	1.02	107.43
Bay rum or bay water, whether distilled or compounded (proof gallons).	\$1.50 per proof gallon	879.25	710.00	1,318.88	.808	135.76
Manufactures of silk: Weight not increased beyond original weight of the raw silk (pounds).	\$3 per pound	318.29	911.00	954.87	2.86	104.82
Weight not increased beyond original weight of the raw silk—reciprocity treaty with Cuba (pounds)	\$3 per pound less 20 per cent.	1.00	2.00	2.40	2.00	120.00
Dyed in the piece, boiled off, or printed, containing more than 45 per cent in weight of silk (pounds)	\$3 per pound	375.63	1,121.00	1,126.88	2.98	100.52
Handkerchiefs, etc., hemstitched, or imitation hemstitched, or reversed or having drawn threads, or embroidered in any manner, whether with an initial letter, monogram, or otherwise, by hand or machinery, or tambooured, appliqued, or made or trimmed wholly or in part with lace, or with tuckings or insertion— Containing more than 45 per cent. in weight of silk, weight not increased beyond original weight of the raw silk (pounds).	\$3 per pound and 10 per cent.	50.00	71.00	157.10	1.42	221.27



Still wines, in casks or packages other than bottles or jugs—reciprocity treaty with Italy (gallons). Wool and hair advanced in any manner or by any process of manufacture beyond the washed or scoured condition, not specially provided for: Valued above 40 and not above 70 cents per pound (pounds). Valued over 70 cents per pound (pounds)-----	35 cents per gallon-----	1,021,421.53	316,001.60	357,497.55	.309	113.13
Manufactures composed wholly or in part of wool, worsted, the hair of the camel, goat, alpaca, or other animals: Rags, mungo, flocks, noils, shoddy, and waste— Shoddy (pounds)----- Wastes top and roving (pounds)----- Yarns, made wholly or in part of wool, valued not more than 30 cents per pound (pounds). Blankets— Valued not more than 40 cents per pound (pounds) Valued more than 40 and not more than 50 cents per pound (pounds). More than 3 yards in length— Valued not more than 40 cents per pound (pounds). Valued more than 40 and not more than 70 cents per pound (pounds).	44 cents per pound and 50 per cent. 44 cents per pound and 55 per cent.  25 cents per pound 30 cents per pound 27½ cents per pound and 40 per cent.  22 cents per pound and 30 per cent. 33 cents per pound and 35 per cent.  33 cents per pound and 50 per cent. 44 cents per pound and 50 per cent.  33 cents per pound and 50 per cent. 44 cents per pound and 50 per cent.	133.00 1,438.50  50.00 20.00 4,254.00  2,022.50 1,649.73  1,679.50 7,111.50  8,126.00 245,066.76	86.00 1,352.90  5.00 5.00 1,181.00  597.46 751.50  507.00 4,147.00  2,630.85 152,694.30	101.52 1,377.04  12.50 6.00 1,642.26  624.20 807.44  807.74 5,202.56  3,997.03 184,176.51	.647 .941  .10 .25 .278  .295 .456  .302 .583  .324 .623	118.05 101.78  250.00 120.00 138.06  104.48 107.44  159.32 125.44  151.93 120.62
Cloths, woven or worsted— Valued not more than 40 cents per pound (pounds) Valued more than 40 and not more than 70 cents per pound (pounds). Dress goods, women's and children's, coat linings, Italian cloths, and goods of similar description— The warp consisting wholly of cotton or other vegetable materials, with the remainder of the fabric composed wholly or in part of wool— Valued not exceeding 15 cents per square yard— Not above 70 cents per pound (square yards). Above 70 cents per pound (square yards) Weighing over 4 ounces per square yard— Valued not more than 40 cents per pound (pounds). Valued more than 40 and not more than 70 cents per pound (pounds). Composed wholly or in part of wool— Valued not above 70 cents per pound (square yards).	7 cents per square yard and 50 per cent. 7 cents per square yard and 55 per cent.  33 cents per pound and 50 per cent. 44 cents per pound and 50 per cent.  11 cents per square yard and 50 per cent.	20,257,891.75 1,122,911.50  659.25 1,934.50  307,773.00	2,449,536.00 154,816.00  189.00 1,199.00  59,253.70	2,642,820.45 163,752.66  312.05 1,450.74  63,481.88	.121 .138  .287 .62  .193	107.89 105.77  165.11 121.00  107.14

## ARTICLES UPON WHICH 100 PER CENT. AND OVER ARE COLLECTED—CONTINUED.

Articles.	Rates of Duty.	Quantities.	Values.	Duties.	Average.	
					Value per unit of quantity.	Ad valorem rate of duty.
Dress Goods, etc.— <i>Continued.</i> Composed wholly or in part of wool— Valued above 70 cents per pound (square yards). Weighing over 4 ounces per square yard— Valued not more than 40 cents per pound (pounds). Valued more than 40 and not more than 70 cents per pound (pounds). Valued more than 70 cents per pound (pounds).	11 cents per square yard and 55 per cent. 33 cents per pound and 50 per cent. 44 cents per pound and 50 per cent. 44 cents per pound and 55 per cent.	10,300,312.04 1,199.00 479,058.50 1,342,301.94	\$ 2,443,539.22 368.00 333,163.00 1,303,972.00	\$ 2,476,980.90 579.67 377,867.24 1,307,797.46	Per cent. \$ .237 .307 .695 .971	101.36 157.52 113.32 100.29
Flannels for underwear— Valued more than 40 and not more than 50 cents per pound (pounds). Weighing over 4 ounces per square yard— Valued more than 50 and not more than 70 cents per pound (pounds). Valued more than 70 cents per pound (pounds).	33 cents per pound and 35 per cent. 44 cents per pound and 50 per cent. 44 cents per pound and 55 per cent. 44 cents per pound and 50 per cent.	172.50 1,375.50 52,062.50 41.00	76.25 750.00 43,856.75 26.60	83.62 980.22 47,023.71 31.34	.442 .545 .842 .649	109.67 130.70 107.20 117.80
Knit fabrics (not wearing apparel) valued more than 40 and not more than 70 cents per pound (pounds). Plushes and other pile fabrics— Valued not over 40 cents per pound (pounds) ----- Valued more than 40 and not more than 70 cents per pound (pounds). Wearing apparel—Clothing, ready-made, and articles of wearing apparel, made up of manufactured knitted or in part, not specially provided for, shawls, knitted or woven (pounds). All other manufactures wholly or in part of wool— Valued not more than 40 cents per pound (pounds). Valued more than 40 and not more than 70 cents per pound (pounds).	33 cents per pound and 50 per cent. 44 cents per pound and 50 per cent. 44 cents per pound and 60 per cent.	80.00 483.00 60,105.63 36,206.75 46,736.52	29.00 236.00 65,761.25 12,749.75 27,165.00	40.90 330.52 65,903.23 18,323.13 34,146.57	.363 .439 1.09 .352 .581	141.02 140.05 100.21 143.72 125.70

# INDEX.

	PAGE.
Agricultural Department.....	70
Anti-trust and anti-rebate laws, how violators of, let off.....	169
Aycock and Russell administrations:	
Financial summary of.....	74
Expenditures under.....	76
Bond suit, South Dakota.....	88
Campaign fund scandal.....	165
Confederate soldiers, increased pensions for.....	78
Corporation Commission, record of.....	56
Corporation laws and corporations chartered.....	51
Corrupt campaign fund scandal.....	165
Democratic State platform.....	3
Democratic rule, material progress in North Carolina under.....	33
Democratic party, record of, since overthrow of Fusion.....	32
Dingley Tariff law, Republican opinion of.....	171
Educational awakening and progress.....	35
Expenditures under Aycock and Russell administrations.....	76
Under Cleveland, McKinley, and Roosevelt compared.....	160
Extravagant national appropriations.....	161
Financial statement, comparative, for 1898 and 1905.....	110
Fusion, era of.....	26
Glenn administration.....	78
Hospitals for insane.....	73
Income and wages.....	163
Insurance Department.....	67
Material progress in North Carolina under Democratic rule.....	33
National Democratic platform.....	115
Republican platform.....	123
Party questions, yea and nay votes on.....	153
Pensions for Confederate soldiers increased.....	78
Platform, Democratic National.....	115
Democratic State.....	3
Republican National.....	123
Republican State.....	7
Prices, export and domestic, of the trusts.....	130, 173
Progress, educational.....	35
Material.....	33
Railroad building and taxation under Democratic and Republican rule contrasted.....	34
Record of Corporation Commission.....	56
Democratic party since overthrow of Fusion.....	32
Two parties from close of war contrasted.....	10

	PAGE.
Receipts and disbursements of State, 1868 to 1905.....	80
For last twelve years analyzed.....	83
Republican charges of Democratic extravagance answered.....	98
Opinion of Dingley Tariff law.....	171
Party, second advent of.....	26
State platform.....	7
Republicanism as Republicans see it.....	92
Resolutions of Democratic State Convention.....	6
Roosevelt and his so-called trust prosecutions.....	152
Scandal of corrupt campaign fund.....	165
Smoot case.....	159
South Dakota bond suit.....	88
State's Prison, financial statement of.....	79
State taxes.....	112
State and National taxation and expenses compared.....	85
Tariff and trusts.....	132
Tariff law, Dingley.....	171
Taxation and expenses, State and National, compared.....	85
Taxation, rate of, from 1868 to 1906.....	81
Taxes, State.....	112
Temperance legislation.....	43
Trusts and combines.....	129
Trusts, export and domestic prices of.....	139, 173
Trust prosecutions, so-called, and Roosevelt.....	152
Trusts and the tariff.....	132
Violators of anti-trust and anti-rebate laws, how let off.....	169
Votes on party questions.....	156
Wages and incomes.....	103















